## Approved For Release 2001/12/04 : CIA-RDP85S00362R000400110001-4

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IAC-D-55/5	NSC Status Report on the Foreign Intelligence Program and Related Activities (28 December 1953)
IAC-D-55/6	NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program (13 January 1954)
IAC-D-55/6 (Revised)	NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program (29 January 1954)
IAC-D-55/6 (Second Revision)	NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program (10 February 1954)
IAC-D-55/6 (Final)	NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program (2 March 1954)
IAC-D-55/7	Attached Draft of IAC-D-55/7 (22 July 1954)
IAC-D-55/7 (Revision)	Annual Status Report for the NSC on the Foreign Intelligence Program (28 July 1954)
IAC-D-55/7 (Final)	Annual Status Report for the NSC on the Foreign Intelligence Program (10 August 1954)

MEMORANDUM FOR: Mr. James S. Ley, Jr.

Mr. James S. Lay, Jr. Executive Secretary National Security Council

SUBJECT:

Semi-Annual Supplementary Status Report on the Foreign Intelligence Program

- I. In accordance with your request of 14 mecenther with I submit to the Precident, with the concurrence of the IAC, the attached subject report. You will recall that subsequent to your request it was agreed to preced with this report in accordance with my memorandum to you of 3 August 1953.
- spending to Annex E of No. 8 of NSC-161. Due to the extreme sensitivity of this report I recommend that copies be addressed, on an "Eyes Only" basis, to the President, the Secretary of State, the Secretary of Defense, and the Director, Foreign Operations Administration, for their return to me immediately upon reading, or in any event within ten days. I further accorded mend that the addressees be advised that if there are other me are bors of their effices who have a need to know all or any past of the report, upon request we will arrange to orally brief those members. As you may prefer that I deliver copies of the Payer Only" report directly to the addressees, I will retain it pending receipt of your advice.

ALLEN W. DURANCE

#### Attachment

OSC:RDD:KM (16 February 1954)

Distribution: O & 1 - Addressee 1 - OIC (return)
2 - DCI 2 - OIC (file)
1 - DDI 1 - Admin, files p

CIA 36337-C. Cyry A (
IAC-D-55/6
(Second-Revision)
10 February 1954

# No. - THE FOREIGN INTELLIGENCE PROGRAM

(Prepared by the Central Intelligence Agency and concurred in by the Intelligence Advisory Committee)

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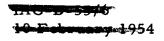
IAC-D-55/6 (Second Revision) 10 February 1954

#### **OBJECTIVES**

## 1. National Security Act of 1947, as Amended:

For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council—

- (1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to the national security;
- (2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;
- (3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: Provided, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: Provided further, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: And provided further, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;
- (4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;
- (5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.



## OBJECTIVES (Continued)

# 2. NSC 162/2, paragraph 10:

Develop and maintain an intelligence system capable of:

- (1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- (2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting U.S. security;
- (3) forecasting potential foreign developments having a bearing on U.S. national security.

AG D 55/6 10 Pebruary 1954

# NA. \_\_\_ - Talk FOREIGN INTELLIGENCE PROGRAM

(This report states the most significant changes which occurred during the period 30 June-31 December 1983; it supplements the full report submitted a August 1983 as No. 9 in NBC-181.)

## i. UDONGINATION

- they pointed out that the effects of budget cuts then recently imposed on intelligence activities could not be assessed at that time. Since them, the agencies have experienced the effects of budget reductions and have been endeavoring to meet the situation by shifting assets or artailing activities considered to be least argent from the viewpoint of made ediate requirements. The effect of this curtailment has not seen completely appared during the period under review. The most serious effects of budget outs have been felt in the collection activities of the Poreign service and even these are being met, at least partially. It alternative activities.
- in sollectively, the agencies, at the request of the flureau in the proposed budgetary mailysts of imelligence programs. This analysis should, among their results, and the agencies in their continuing appraisal or the continuing appraisal or the
- The live livestor of Pentral Intelligence Directives were issued, and one reciped, with the concurrence of the 180, during this period. While 7/1 establishes procedures for insuring that all non-governmental advisional offering foreign intelligence information are referred to the foreign transfer with ASCID-7. DOID 3/5 refines procedures for the production of national intelligence estimates.

  Out 4/2 was revised to include, in the priority list of critical national intelligence objectives, poviet and patellite capabilities and intentions for conducting claudestine attack by mass destruction weapons.

#### II. NATIONAL ESTIMATES

- 1. During the period of this report, the IAC approved nineteen national intelligence estimates. These estimates have been increasingly responsive to the requirements of the NSC Planning Board. For example, in large part as a result of the needs of the Planning Board for intelligence support in the formulation of policy, six national estimates were produced dealing with the Soviet Bloc. In addition, the NSC concern with the emergency situations in Korea and Indochina resulted in the production of one estimate on the former area and three on the latter.
- 2. The IAC undertook two pioneer-type estimates during the period of this report. The first of these was a general estimate of the world situation over a two year period. This was published in the third quarter of 1953. The second estimate of this type deals with the implications of increasing Soviet nuclear weapon capabilities on the policies of selected non-Communist countries. This estimate is scheduled for publication in the first quarter of 1954. Both of these estimates are designed to provide intelligence support for the NSC in its broad, long-range planning.
- 3. Another current effort is designed to relate more directly the work of collection and research activities to the needs of the policy makers for national intelligence. At the direction of the IAC, the Board of National Estimates is preparing recommendations for revising directives on national intelligence objectives.

#### III. POLITICAL, SOCIAL AND CULTURAL INTELLIGENCE

The quality of analysis by the staffs producing political, sociological and cultural intelligence has been fully maintained and even improved. In part, the pressure of demands on reduced staffs has been met by a stepping-up of the long-term trend toward the merging of economic, political, and sociological analysis in dealing with individual intelligence problems.

#### IV. MILITARY INTELLIGENCE

### 1. General

Currently, the Intelligence Community is seeking to exploit fully presently available intelligence techniques, both in production and in collection. Nevertheless, coverage remains inadequate in critical areas, such as: enemy war plans, early warning of attack, order of battle, enemy localized military and para-military intentions, military equipment development and production, guided missiles, tactical atomic weapons, and technical and scientific military developments. Substantial improvement in the military intelligence field will depend largely upon the increase in the scope and effectiveness of all intelligence collection operations and the development of new collection techniques, now being explored, against military intelligence targets.

### 2. Operational Intelligence

The best source of intelligence concerning enemy units in Korea was cut off by the signing of the Armistice. Insufficient intelligence is available on the movement or location of Chinese armed forces. The augmentation of U.S. intelligence personnel in Viet Nam should result in some improvement in reporting from this area.

### 3. Targeting

Initial production of target materials for the highest priority Air Force targets is almost complete for the U.S.S.R. and is progressing satisfactorily for the Satellites and approach areas. Only about one-half of the comparable materials for highest priority Navy (all-weather) targets have been placed in production.

CIA 36337-C IAC-D-55/6 (Second Revision) 10 Pubmary 1954

### V. ECONOMIC INTELLIGENCE

- 1. The recent revisions of economic policy and plans in the Soviet Bloc countries have led to an increase in the flow of Soviet and Satellite data on production, trade, and consumption. A considerable amount of these data was reported in absolute terms of production, trade, and consumption. These new data should permit improved estimates on rates of development and trends in particular sectors of the Bloc economies.
- 2. Intelligence needed for enforcement of economic defense measures has been improved during the last six months by the operation of interagency organization to (a) provide rapid collation and analysis of intelligence on illegal transactions with the Soviet Bloc, (b) speed the dissemination of intelligence to appropriate action agencies, and (c) improve the receipt of information on priority requests to the field.

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#### VI. SCIENTIFIC AND TECHNICAL INTELLIGENCE



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(Second Revision)

IO February 1954

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## VIII. BASIC INTELLIGENCE

- 1. One-third of world-wide coverage, most of which is on the JCS high priority areas, is now complete.
- 2. Increasing emphasis is being given to revision of published NIS under the maintenance program, and to the production of Chapters I (Summary Brief).
- 3. The NIS Committee has authorized a survey of all NIS users for guidance in the long range development of the Program. The survey is now being conducted by the several IAC agencies.

Second Resision)

### A. Chartetine

### i. The foreign service

Intelligence reporting and collection from Foreign for the facilities have been generally adequate to meet minimum the ligence requirements. The flow of information from the confidence areas is deficient, but this difficulty stems from handalons is possed by the Const governments rather than from factors held resources. In other areas, there has been a might call drop in the quality of materials received, but there has not yet been noted much have change in the quality of the less political, sociological, and economic reporting.

There have seen suprruptions apprished to temporary material one of personnel. In addition, deficiencies have been sold in the following fields:

- a. Teriphoral reporting on the haropean latellites of the top.
- and and analytical sale.
  - c. Slog apine reporting.
- d. Frout easent of publications other than regular subscriptions

Veanwhile, progress has been made in providing the need with guidance instructions in political and become in fields; but important posts have been covered except in the latin matrical area. In response to instructions, worthwhile continuous are now being received from most posts in support of anythological intelligence according.

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### 2. Service Attache System

Some easing of travel restrictions in the USSR and the European Satellites has enabled Service attaches to increase their coverage somewhat. The proportion of technical specialists in the Attache System has been increased to improve the coverage of scientific and technical subjects.

### 3. Overseas Commands

Overseas commands continue to be a primary source of information on Communist armed forces. The cessation of hostilities and loss of contact with enemy forces in Korea has, of course, resulted in a sharp decline in the flow of information on North Korean and Chinese forces.

### 4. Aerial Reconnaissance

Recently, the Armed Services have been enabled to take more advantage of their reconnaissance capability. This capability continues to improve; research is progressing in various fields of reconnaissance techniques. It should be recognised that this capability must be exercised within the framework of policy considerations of other than an intelligence nature.

The photo interpretation capability is improving though still short of being completely satisfactory.

CIA 36337-C

TAG D 58/6 (Second Revision)
10 Pebruary 1954

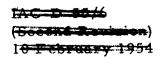


### b. Propaganda Analysis

A new series, "Radio Propaganda Reports," was initiated to meet the requirements of estimating offices and psychological warfare activities for more numerous and more specialized propaganda studies on substantive intelligence problems.

#### 7. Foreign Materials and Equipment

Collection of Soviet Bloc items from both overt and covert sources continued to increase and is substantially higher than for the comparable period in 1952. Items of captured enemy material obtained in Korea prior to the end of military operations are being analyzed and should provide a flow of intelligence information over the next year. Improved methods for the collection and exploitation of such material in any future active theaters of war are under intensive study. Of special interest has been the technical exploitation of Soviet aircraft, communications equipment, and machine tools.



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CIA 36337-C

(Second-Revision)

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### 8. Programs in Electronics

## a. Monitoring of Radio Jamming

NSC 66/1 has been supplemented by NSC 169 which provides a basis for a considerable expansion of programs concerned with monitoring of Soviet jamming and related activities in the radio frequency spectrum. Planning for the implementation of NSC 169 has been initiated. Trained personnel and necessary equipment are being assigned to several U.S. embassy staffs behind the Iron Curtain to monitor the technical effectiveness of U.S. broadcasts to Soviet Bloc countries.

## b. Non-Communications Electronic Intercept

The effective exploitation of all U.S. non-communications electronic intercept facilities and capabilities for collecting scientific and order of battle information on Soviet military capabilities has been under study by the Department of Defense and CIA. Meanwhile

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I<del>AC-D-55/6</del> (Second Revision) 10 February 1954)

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(Second Revision)
10 February 1954

## 10. Foreign Language Publications

Guidance of the collection of foreign language publications by the Foreign Service has been strengthened by assistance from CIA as has the Washington processing and distribution of such publications.

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#### XI. SUPPORT AND COLLATION FACILITIES

#### 1. Library Facilities

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Lexical inventories for most of the languages of intelligence interest, and annotated lists of intelligence serial publications produced by some of the member agencies, have been prepared.

### 2. Industrial Information

Indexing by tabulating machine methods to speed the analysis of data is two-thirds complete for the Soviet Union. Coding and indexing of end-product references was recently begun for East Germany, with China to follow.

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#### 4. External Research

The External Research Staff, Department of State, is stepping up its function of apprizing the Intelligence Community of

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# Approved For Release 2001/12/04 : CIA-RDP85S00362R000400110001-4 CIA 36337-c

AG-D-95/6 (Second-Revision) 10 February 1954)

economic, political and related research on foreign areas sponsored by foundations, universities, and individual scholars. It is preparing periodical inventories of similar research sponsored by the Federal Government and reports on research on psychological and unconventional warfare.

The EIC has compiled an inventory of government sponsored external economic research projects on the Soviet Bloc for the period 1 January 1952 through 30 September 1953.

(Second Revision)
10 Tebruary 1954)

### INTELLIGENCE ADVISORY COMMITTEE

NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program

- 1. Attached is a copy of subject report as reproduced by the National Security Council Secretariat.
- 2 This report is based on IAC-D-55/6 (Second Revision), 10 February 1954, as modified by the IAC at its meeting on 16 February (See IAC\_M\_141, paras. 2 and 3).

Secretary

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# Approved For Release 2001/12/04 : CIA-RDP85S00362R009499110901-4

February 19, 1954

Part 8 - THE FOREIGN INTFLLIGENCE PROGRAM
(Prepared by the Central Intelligence Agency and concurred in by the Intelligence Advisory Committee)

(This report states the most significant changes which occurred during the period June 30 - December 31, 1953; it supplements the full report on the status of the program on June 30, 1953, issued as No. 9, NSC 161.)

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## I. OBJECTIVES

# 1. National Security Act of 1947, as Amended

For the purpose of coordinating the intelligence activities of the several Governmental departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council--

NSC 5407, Part 8

- (1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to the national security;
- (2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;
- (3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: Provided, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: Provided further, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: And provided further, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;
- (4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Cuuncil determines can be more efficiently accomplished centrally;
- (5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.

# 2. NSC 162/2, paragraph 10:

Develop and maintain an intelligence system capable of:

- (1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- (2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting U. S. security;
- (3) forecasting potential foreign developments having a bearing on U. S. national security.

## II. COORDINATION

- l. When the IAC agencies concurred in the last report (issued as No. 9, NSC 161), they pointed out that the effects of budget cuts then recently imposed on intelligence activities could not be assessed at that time. Since then, the agencies have experienced the effects of budget reductions and have been endeavoring to meet the situation by shifting assets or curtailing activities considered to be least urgent from the viewpoint of immediate requirements. The effect of this curtailment has not been completely apparent during the period under review. The most serious effects of budget cuts have been felt in the collection activities of the Foreign Service and even these are being met, at least partially, by alternative activities.
- 2. Collectively, the agencies, at the request of the Bureau of the Budget, have developed a suggested listing of categories of intelligence activities as an aid to the Bureau in its proposed budgetary analysis of intelligence programs. This analysis should, among other results, aid the agencies in their continuing appraisal of the costs of the foreign intelligence program.
- 3. Two Director of Central Intelligence Directives were issued, and one revised, with the concurrence of the IAC, during this period. DCID 7/1 establishes procedures for insuring that all non-governmental individuals offering foreign intelligence information are referred to CIA for exploitation in accordance with NSCID-7. DCID 3/5 refines procedures for the production of national intelligence estimates. DCID 4/2 was revised to include, in the priority list of critical national intelligence objectives, Soviet and Satellite capabilities and intentions for conducting clandestine attack by mass destruction weapons.

## III. NATIONAL ESTIMATES

1. During the period of this report, the IAC approved 19 national intelligence estimates. These estimates have been increasingly responsive to the requirements of the NSC Planning Board. For example, in large part as a result of the needs of the Planning Board for intelligence support in the formulation of policy, 6 national estimates were produced dealing with the Soviet Bloc. In addition, the NSC concern with the emergency situations in Korea and Indochina resulted in the production of one estimate on the former area and 3 on the latter.

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# IV. POLITICAL, SOCIAL AND CULTURAL INTELLIGENCE

The quality of analysis by the staffs producing political, sociological and cultural intelligence has been fully maintained and even improved. In part, the pressure of demands on reduced staffs has been met by a stepping-up of the long-term trend toward the merging of economic, political, and sociological analysis in dealing with individual intelligence problems.

# V. MILITARY INTELLIGENCE

## 1. General

Currently, the Intelligence Community is seeking to exploit fully presently available intelligence techniques, both in production and in collection. Nevertheless, coverage remains inadequate in critical areas, such as: enemy war plans, early warning of attack, order of battle, enemy localized military and para-military intentions, military equipment development and production, guided missiles, tactical atomic weapons, and technical and scientific military developments. Substantial improvement in the military intelligence field will depend largely upon the increase in the scope and effectiveness of all intelligence collection operations and the development of new collection techniques, now being explored, against military intelligence targets.

## 2. Operational Intelligence

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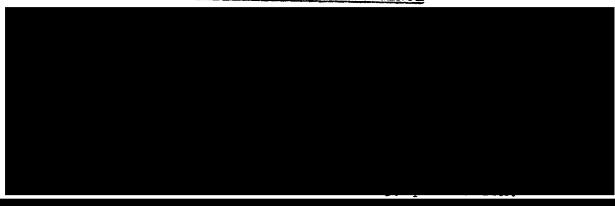
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## VI. ECONOMIC INTELLIGENCE

- The recent revisions of economic policy and plans in the Soviet Bloc countries have led to an increase in the flow of Soviet and Satellite data on production, trade, and consumption, a considerable amount of which has been in absolute terms. These new data should permit improved estimates on rates of development and trends in particular sectors of the Bloc economies.
- Intelligence needed for enforcement of economic defense measures has been improved during the last six months by the operation of interagency organization to (a) provide rapid collation and analysis of intelligence on illegal transactions with the Soviet Bloc, (b) speed the dissemination of intelligence to appropriate action agencies, and (c) improve the receipt of information on priority requests to the field.

# VII. SCIENTIFIC AND TECHNICAL INTELLIGENCE



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NSC 5407, Part 8 - 5 -



## IX. BASIC INTELLIGENCE

- 1. National Intelligence Surveys (NIS) now complete represent one-third of world-wide coverage, most of which is on the JCS high priority areas.
- 2. Increasing emphasis is being given to revision of published NIS under the maintenance program, and to the production of Chapters I (Summary Brief).
- 3. The NIS Committee has authorized a survey of all NIS users for guidance in the long range development of the Program. The survey is now being conducted by the several IAC agencies.

## X. WARNING OF ATTACK

- 1. The enemy's choice of the type of attack and the origin of his attack greatly affect our early warning capability. For early warning of air attack, we are largely dependent on radar and forward observation stations, in lieu of "inside" sources which in the past have frequently been available for warning that an enemy was about to decide to go to war. However, generally our advance warning largely depends on the sifting of masses of material in our search for those indications of enemy activity which suggest that they are taking measures to implement a decision to attack. We are exploiting all available sources of information and constantly striving to develop new and improved means of detection of attack.
- 2. In October 1953 the IAC established an <u>ad hoc</u> committee to review, in the light of the present international situation, the mission and operating procedures of the IAC Watch Committee. Progress has been made in revising the "mission and functions" of the Watch Committee, including detailed methods of operation and nature of support.

NSC 5407, Part 8

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## XI. COLLECTION

## 1. The Foreign Service

Intelligence reporting and collection from Foreign Service facilities have been generally adequate to meet minimum intelligence requirements. The flow of information from the Iron Curtain areas is deficient, but this dificulty stems from limitations imposed by the Orbit governments rather than from lack of field resources. In other areas, there has been a significant drop in the quantity of meterials received, but there has not yet been noted much basic change in the quality of current political, sociological, and economic reporting.

There have been interruptions attributable to temporary dislocations of personnel. In addition, deficiencies have been noted in the following fields:

- $\underline{a}$ . Peripheral reporting on the European Satellites of the USSR.
- <u>b</u>. Reporting of a background and analytical nature.
  - c. Biographic reporting.

<u>d</u>. Procurement of publications other than regular subscriptions

Meanwhile, progress has been made in providing the field with guidance instructions in political and economic fields; most important posts have been covered except in the Latin American area. In response to instructions, worthwhile contributions are now being received from most posts in support of psychological intelligence activities.

## 2. <u>Service Attache System</u>

Some easing of travel restrictions in the USSR and the European Satellites has enabled Service attaches to increase their coverage somewhat. The proportion of technical specialists in the Attache System has been increased to improve the coverage of scientific and technical subjects.

## 3. Overseas Commands

Overseas commands continue to be a primary source of information on Communist armed forces. The cessation of

NSC 5407, Part 8

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# Approved For Release 2001/12/04 : CIA-RDP85S00362R000400110001-4

hostilities and loss of contact with enemy forces in Korea has, of course, resulted in a sharp decline in the flow of information on North Korean and Chinese forces.

## 4. Aerial Reconnaissance

Recently, the Armed Services have been enabled to take more advantage of their reconnaissance capability. This capability continues to improve; research is progressing in various fields of reconnaissance techniques. It should be recognized that this capability must be exercised within the framework of policy considerations of other than an intelligence nature.

The photo interpretation capability is improving, though it is still short of being completely satisfactory.

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# b. Propaganda Analysis

A new series, "Radio Propaganda Reports," was initiated to meet the requirements of estimating offices and psychological warfare activities for more numerous and more specialized propaganda studies on substantive intelligence problems.

## 7. Foreign Materials and Equipment

Collection of Soviet Bloc items from both overt and covert sources continued to increase and was substantially

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higher than for the comparable period in 1952. Items of captured enemy material obtained in Korea prior to the end of military operations are being analyzed and should provide a flow of intelligence information over the next year. Improved methods for the collection and exploitation of such material in any future active theaters of war are under intensive study. Of special interest has been the technical exploitation of Soviet aircraft, communications equipment, and machine tools.

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# 8. Programs in Electronics

## a. Monitoring of Radio Jamming

NSC 66/1 has been supplemented by NSC 169, which provides a basis for a considerable expansion of programs concerned with monitoring of Soviet jamming and related activities in the radio frequency spectrum. Planning for the implementation of NSC 169 has been initiated. Trained personnel and necessary equipment are being assigned to several U. S. embassy staffs behind the Iron Curtain to monitor the technical effectiveness of U. S. broadcasts to Soviet Bloc countries.

# b. Non-Communications Electronic Intercept

The effective exploitation of all U. S. non-communications electronic intercept facilities and capabilities for collecting scientific and order of battle information on Soviet military capabilities has been under study by the Department of Defense and CIA. Meanwhile there

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NSC 5407, Part &

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## 10. Foreign Language Publications

Guidance of the collection of foreign language publications by the Foreign Service has been strengthened by assistance from CIA, as has the Washington processing and distribution of such publications.

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# XII. SUPPORT AND COLLATION FACILITIES

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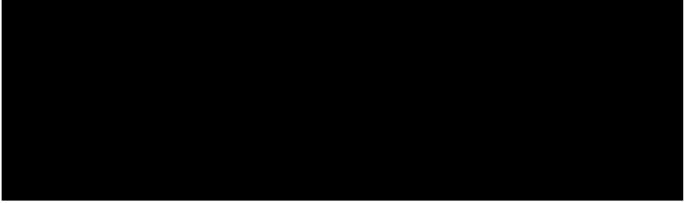
## 1. Library Facilities

Lexical inventories for most of the languages of intelligence interest, and annotated lists of intelligence serial publications produced by some of the member agencies, have been prepared.

## 2. Industrial Information

Indexing by tabulating machine methods to speed the analysis of data is two-thirds complete for the Soviet Union. Coding and indexing of end-product references was recently begun for East Germany, with China to follow.

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# 4. External Research

The External Research Staff, Department of State, is stepping up its function of apprizing the Intelligence Community of economic, political and related research on foreign areas sponsored by foundations, universities, and individual scholars. It is preparing periodical inventories of similar research sponsored by the Federal Government and reports on research on psychological and unconventional warfare.

The EIC has compiled an inventory of government sponsored external economic research projects on the Soviet Bloc for the period January 1, 1952, through September 30, 1953.

NSC 5407, Part 8 - 10 - TOP SECRET Approved For Release 2001/12/04: CIA-RDP85S00362R000400110001-4

# INTELLIGENCE ADVISORY COMMITTEE (NSC STATUS REPORT WORKING GROUP)

NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program

- 1. The attached draft attempts to reflect changes discussed at the Working Group meeting of 20 January and also includes sections drafted by State and the Military Agencies since that meeting.
- 2. It would be appreciated if the representatives would meet to discuss this draft in Room 2C468, The Pentagon, at 2:00 P.M. on Thursday, 28 January. A revised draft based on discussion at that meeting should be circulated 1 February for IAC concurrence and DCI dispatch by 5 February.

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Secretary

### No. - THE FOREIGN INTELLIGENCE PROGRAM

(Prepared by the Central Intelligence Agency and concurred in by the Intelligence Advisory Committee)

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#### **OBJECTIVES**

## 1. National Security Act of 1947, as Amended:

For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of CIA, under the direction of the National Security Council —

- (1) to advise the NSC in matters concerning such intelligence activities of departments and agencies as relate to the national security;
- (2) to make recommendations to the NSC for the coordination of such intelligence activities of the departments and agencies as relate to the national security;
- (3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: provided, that CIA shall have no police, subpoena, law enforcement powers, or internal security functions: provided further, that the departments and other agencies shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: and provided further, that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;
- (4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the NSC determines can be more efficiently accomplished centrally;
- (5) to perform such other functions and duties related to intelligence affecting the national security as the NSC may from time to time direct.

### OBJECTIVES (Continued)

## 2. NSC 162/2, paragraph 10:

Develop and maintain an intelligence system capable of:

- (1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- (2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting U.S. security;
- (3) forecasting potential foreign developments having a bearing on U.S. national security.

## NO. \_\_\_ - THE FOREIGN INTELLIGENCE PROGRAM

(This report states the most significant changes which have occurred during the period 30 June - 31 December 1953; it supplements the full report submitted 3 August 1953 as No. 9 in NSC-161.)

### I. COORDINATION

- 1. When the IAC agencies concurred in the last report submitted, they pointed out that the effects of budget cuts then recently imposed on intelligence activities could not be assessed at that time. Since then, the agencies individually have experienced the effects of budget reductions and now conclude that these have been possible of assimilation by shifting assets or curtailing peripheral activities. The only serious effects have been felt in the collection activities of the Foreign Service and even these are being met, at least partially, by alternative activities.
- 2. Collectively, the agencies, at the request of the Bureau of the Budget, have developed a suggested listing of categories of intelligence activities as an aid to the Bureau in its proposed budgetary analysis of intelligence programs. It is hoped that this analysis will, among other results, aid the agencies in their continuing appraisal of the costs of the foreign intelligence program.
- 3. Two Director of Central Intelligence Directives were issued, and one revised, with the concurrence of the IAC, during this period. DCID 7/1 establishes procedures for insuring that all non-governmental individuals offering foreign intelligence information are referred to CIA for exploitation in accordance with NSCID 7. DCID 3/5 refines procedures for the production of national intelligence estimates. DCID 4/2 was revised to include, in the priority list of critical national intelligence objectives, Soviet and Satellite capabilities and intentions for conducting clandestine attack by mass destruction weapons.
- 4. The recent formation of the Joint Electronics Analysis Group under the Joint Chiefs of Staff will improve the analysis, processing and dissemination of noncommunications electronic intercept material.

### II. NATIONAL ESTIMATES

- 1. During the period of this report the IAC approved 19 national estimates (8 special estimates and 11 NIE's).
- 2. At the request of the IAC, the Board of National Estimates, CIA, has undertaken a review of DCID's 4/1 and 4/2, issued under NSCID-4, on national intelligence objectives.

#### III. POLITICAL, SOCIAL AND CULTURAL INTELLIGENCE

The quality of analysis by the staffs producing political, sociological, and cultural intelligence has been fully maintained and even improved. In part, the pressure of demands on reduced staffs has been met by a stepping-up of the long-term trend toward the merging of economic, political, and sociological analysis in dealing with individual intelligence problems.

#### IV. ARMED FORCES INTELLIGENCE

#### 1. Operational Intelligence

Armed forces intelligence is inadequate in critical areas. No intelligence has been received which, to any appreciable degree, satisfies the major deficiencies in the armed forces intelligence requirements. Any improvement will depend upon the increase in efficiency of clandestine operations against military targets.

The best source of intelligence concerning enemy units in Korea was cut off by the signing of the Armistice. Little intelligence is available on the movement or location of Chinese armed forces. The augmentation of U. S. intelligence personnel in Viet Nam was less than anticipated but some improvement in reporting from this area may be expected.

#### 2. Order of Battle and Equipment

Intelligence remains inadequate concerning order of battle and equipment throughout the Communist Bloc.

#### 3. Targeting

The recent formation of the Joint Intelligence Policy and Review Group under the Joint Chiefs of Staff will provide maximum cooperation in this field.

#### V. ECONOMIC INTELLIGENCE

- 1. The recent revisions of economic policy and plans in the Soviet Bloc countries have led to a temporary increase in the flow of Soviet and Satellite data on production, trade, and consumption. Although many of these data continue to be stated in terms of percentage change from undefined bases, a considerable amount was reported in absolute terms of production, trade, and consumption. These new data should permit improved estimates on rates of development and trends in particular sectors of the Bloc economies.
- 2. Intelligence needed for enforcement of economic defense measures has been improved during the last six months by the establishment of machinery to (a) provide rapid collation and analysis of intelligence on illegal transactions with the Soviet Bloc, (b) speed the dissemination of intelligence to appropriate action agencies, and (c) improve the receipt of information on priority requests to the field.

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#### VI. SCIENTIFIC AND TECHNICAL INTELLIGENCE



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#### VIII. GEOGRAPHIC INTELLIGENCE

1. There have been no significant new developments in this field during the period.

#### IX. BASIC INTELLIGENCE

- 1. Increasing emphasis is being given to revision of published NIS under the maintenance program, and to the production of Chapters I (Summary Brief).
- 2. The NIS Committee has authorized a survey of all NIS users for guidance in the long range development of the Program. The survey is now being conducted by the several IAC Agencies.

#### X. WARNING OF ATTACK

1. In October 1953 the IAC established an ad hoc committee to review, in the light of the present international situation, the mission and operating procedures of the IAC Watch Committee. Ten meetings have been

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#### X. WARNING OF ATTACK (Continued)

held to date and progress has been made in revising the "mission and functions" of the Watch Committee including detailed methods of operation and nature of support.

#### XI. COLLECTION

#### 1. The Foreign Service

Reporting and intelligence collection in all fields has continued at a satisfactory level with no serious deficiencies yet noted. Considerable progress has been made in providing the field with standard guidance instructions in political and economic fields; all important posts have been covered except in the Latin American area. In response to instructions, worthwhile contributions are now being received from most posts in support of psychological intelligence activities.

#### 2. Service Attache System

Some easing of travel restrictions in the USSR and the European Satellites has enabled Service attaches to increase their coverage. The proportion of technical specialists in the Attache System has been increased to improve the coverage of scientific and technical subjects.

#### 3. Overseas Commands

The cessation of hostilities and loss of contact with enemy forces in Korea has resulted in a sharp decline in the flow of information on North Korean and Chinese forces.

#### 4. Aerial Reconnaissance

Recently, the Armed Services have been enabled to take more advantage of their reconnaissance capability, however, because of policy considerations beyond control of the military, complete exploitation of these capabilities is yet to be realized. This capability continues to improve and research is progressing in various fields of reconnaissance techniques.

The photo interpretation capability is improving though still short of being completely satisfactory.

#### XI. COLLECTION (Continued)

#### 5. Espionage

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There have been no significant changes in the operating conditions governing the collection of covert intelligence within the Soviet and Satellite Orbit.

#### b. Propaganda Analysis

A new series, "Radio Propaganda Reports," was initiated to meet the requirements for the production of more numerous and more specialized propaganda studies on substantive intelligence problems by the estimating offices and psychological warfare activities.

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#### XI. COLLECTION (Continued)

#### 8. Foreign Materials and Equipment

Collection of Soviet Bloc items from both overt and covert sources continued to increase and is substantially higher than for the comparable period in 1952. The end of military operations in Korea has ended receipt of new captured enemy items. However, CEM items already on hand are being continually analyzed and should provide a flow of intelligence information over the next year. Improved methods for the collection and exploitation of CEM in any future active theaters of war are under intensive study. Of special interest has been the technical exploitation of Soviet communications equipment and machine tools.



#### 9. Programs in Electronics

#### a. Monitoring of Radio Jamming

NSC 66/1 has been supplemented by NSC 169 which provides a basis for a considerable expansion of programs concerned with monitoring of Soviet jamming and related activities in the radio frequency spectrum. Planning for the imprementation of NSC 169 has been initiated. Trained personnel and necessary equipment have been assigned to several U.S. embassy staffs behind the Iron Curtain to monitor the technical effectiveness of U.S. broadcasts to Soviet Bloc countries.

#### 10. Non-Communications Electronic Intercept

The effective exploitation of all U.S. non-communications electronic intercept facilities and capabilities for collecting scientific and order of battle information on Soviet military capabilities has been under study by the Department of Defense and CIA. Meanwhile, there

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XI. COLLECTION (Continuted)

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#### 12. Foreign Language Publications

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Under NSCID-16, progress has been made in the coordination of procurement. Direction of the collection of foreign language publications by the Foreign Service has been strengthed by assistance from CIA as has the Washington distribution of such publications. The

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#### XII. SUPPORT AND COLLATION FACILITIES

#### 1. Library Facilities

The establishment of NSCID-16 Advisory Committee on Foreign Language Publications provided the mechanism for the formation of pertinent sub-committees geared to promote interagency cooperation. The Reference Sub-committee sponsored the publication of lexical inventories for most of the languages of intelligence interest, and annotated lists of intelligence serial publications produced by some of the member agencies.

#### 2. Industrial Information

Indexing by tabulating machine methods to speed the analysis of data is two-thirds complete for the Soviet Union. Coding and indexing of end-product references was recently begun for East Germany, with China to follow.



#### 4. External Research

The External Research Staff, Department of State has recently restaffed. It will resume its functions of apprizing the Intelligence Community of economic, political and related research on foreign areas sponsored by foundations, universities, and individual scholars. It will also prepare periodical inventories of similar research sponsored by the Federal Government and reports on research on psychological and unconventional warfare.

The EIC has compiled an inventory of government sponsored external economic research projects on the Soviet Bloc for the period lanuary Approved Polickelease 20677 2764 ! CIA-RDP85S00362R000400110001-4

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## INTELLIGENCE ADVISORY COMMITTEE

Annual Status Report for the NSC on the Foreign Intelligence Program

The attached report was approved by the Intelligence Advisory Committee on 10 August 1954.

Secretary

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#### I. INTELLIGENCE OBJECTIVES

The primary missions of the intelligence community have been defined in NSC 162/2, paragraph 10 of which prescribes that the U.S. shall:

"Develop and maintain an intelligence system capable of:

- "(1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- "(2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting U.S. national security;
- "(3) forecasting potential foreign developments having a bearing on U.S. national security."

While all aspects of the intelligence effort are related in some degree to each of these missions, the warning problem is discussed specifically in Section II of this Report. The most important form of evaluations and forecasting -- National Intelligence Estimates -- is covered in Section III. Sections IV-IX deal with various categories of intelligence contributing to evaluation, warning, and forecasting. Sections X-XII deal with collection and support facilities for the entire intelligence effort.

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#### UN WARNING OF ATTACK

- 1. Generally our advance warning largely depends on the sifting of masses of material in our search for those indications of enemy activity which suggest that they are taking measures to implement a decision to attack. However, the enemy's choice of the type of attack greatly affects our advance warning capability. We are largely dependent on radar and forward observation stations for early warning of air attack, if our intelligence fails to discover indications of preparations therefor and if the USSR would risk launching such an attack without requisite mobilization for the global war that would result. We lack successful penetrations of the Soviet Bloc which would provide warning that the enemy was about to attack without extensive mobilization. We are exploiting all available sources of information and constantly striving to develop new and improved means of detection of attack.
- which reviewed the mission and operating procedures of the IAC Watch Committee, DCID 1/2 was issued in May 1954, revising the Watch Committee charter to provide for a National Indications Center (NIC) as a permanent IAC intelligence staff in direct support of the Watch Committee. This staff will comprise specialists from principal intelligence agencies, concentrating on intelligence from all sources for its bearing on indications of hostile action affecting U.S. national security.
- 3. A National Intelligence Estimate on the amount of warning to be expected is scheduled for completion in the third quarter of 1954. This will be the first coordinated national estimate on this subject.

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- 1. During the past six months, 28 National Intelligence Estimates were produced, making a total of 47 for the year. The proportion of these estimates which were in support of specific NSC papers or policy decisions increased from 50% in the previous six month period to about 65% during the period under review.
- 2. A variety of different types of estimates was produced, with the heaviest concentration on Soviet Bloc and Far Eastern Affairs. There were seven papers on various aspects of Soviet Bloc Capabilities and Intentions, and six papers on Indochina, the latter all requested on short notice by the NSC or the Geneva Conference delegation. Two estimates were designed to provide intelligence support for long-range planning by the NSC, the most important being "Probable Effects of Increasing Nuclear Capabilities Upon the Policies of US Allies." The remainder of the papers were general estimates on probable developments in specific countries or estimates of foreign reaction to specific U.S. courses of action.
- 3. A revision of existing directives on national intelligence objectives is under active consideration, with a view to early submission to the IAC. This action is designed to relate intelligence collection and research more closely to the production of national intelligence for the policy makers, in the light of the primary missions set forth in NSC 162/2.

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#### V IV. POLITICAL, SOCIAL, AND CULTURAL INTELLIGENCE

The quality of intelligence analysis in these fields has been maintained during a period of intense activity in international affairs, which required close and sustained intelligence support. Political analyses and estimates have been closely geared to the intelligence requirements of top policy making and operating officers. Major effort in political and biographic production was directed to the Berlin and Geneva conferences and to the situation in Guatemala.

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#### v. MILITARY INTELLIGENCE

#### 1. General

Although there have been substantial achievements, military intelligence on the Soviet Bloc is inadequate in many critical fields, reflecting the difficulties of collection on these countries as indicated in Sections X and XI, and of collating and assessing the large volume of fragmentary reports of uncertain origin and validity which are received. Deficiencies exist with respect to early warning of attack, order of battle, military and para-military intentions in some areas, military equipment development and production, guided missiles, tactical atomic weapons, and technical and scientific developments. Slow improvement is being made through more systematic research and analysis. Any substantial improvement will depend largely on an increase in the scope and efficiency of all collection operations and the development of new collection techniques.

#### 2. Operational Intelligence

Intelligence on the movements and dispositions of Soviet and Satellite Armed Forces is generally unsatisfactory, except in a few areas such as East Germany. There has been an over-all decrease in the past several years in collection results with respect to Communist Armed Forces in the Far East. This decrease has been particularly noticeable during the past eighteen months, mainly because of the Korean cease-fire. The reduced Western position in Indochina will contribute to a reduction of effective intelligence coverage in the currently critical area of Southeast Asia.

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#### MILITARY INTELLIGENCE (continued)

#### 3. Target Materials Production

The production of standardized air target materials on vital targets throughout the world leaves much to be desired. This condition is in part attributable to a lack of information, and to the time required to develop adequate field facilities. In addition, complete accord has not yet been reached as to the relative importance of the requirements laid upon the producing agencies.\*

\* The Director of Naval Intelligence notes that as of 30 June 1954 essential target materials for the 621 Navy-nominated All-Weather targets, which have been included in the Air Objectives Folder Program (AOFP), have been completed on 44% and are in the final stages of production on 24%. Research continues on 130 Navy-nominated All-Weather targets not yet included in the AOFP. However, materials on 70 of these targets are being produced as a by-product of production effort scheduled for other purposes.

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#### VI. ECONOMIC INTELLIGENCE

- 1. General. Economic intelligence on the Soviet Bloc continues to show gradual over-all improvement, but reliable data are still inadequate and many analytical problems remain to be solved. Data for strategic sectors of the economy are relatively least satisfactory.
- 2. The probable range of error in intelligence estimates on the economy of the USSR, especially in respect to agriculture, consumer goods, the Soviet budget, and certain basic raw materials, has been reduced as a result of increased knowledge of the reliability of Soviet statistics, and the increased volume of official aggregate statistical information published since the death of Stalin. Together with refinements in aggregative techniques, this improvement should permit more factual estimates on rates of growth and trends in particular segments of the Soviet economy, although comparison with Western capabilities and rates of growth continues to present some difficult analytical problems.
- 3. Reporting from the European Satellites has shown some improvement due, in part, to intelligence briefing of field personnel, economic guidance instructions, and expansion of the travel folder program to the Satellites.
- 4. The volume of economic reporting on Communist China has increased during this period. As a result, somewhat more reliable estimates of economic trends and developments are now possible.

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#### ECONOMIC INTELLIGENCE (continued)

- 5. On East-West trade, substantial intelligence support has been rendered to the economic defense program for the revision of the strategic trade control lists. Intelligence gaps continue in most commodity categories, and there remains considerable difference of opinion within the intelligence community as to the strategic effect of trade controls. Intelligence for enforcement of economic defense measures has been further improved in timeliness through the activities of the coordinating Diversion Control Net. Intelligence on shipping engaged in Soviet Bloc trade continues to be good, and there has been some improvement in cargo information.
- 6. Although the volume of economic reporting from the Free World has diminished somewhat because of personnel shortages, the quality of reporting from the Foreign Service and FOA has, in general, improved.
- 7. The Economic Intelligence Committee continues to perform valuable coordinating functions. In addition to the coordination of research in fields of common interest, it now publishes regular surveys of completed and planned governmental and governmentsponsored economic research, for use in identifying priority deficiencies.

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#### VII. SCIENTIFIC AND TECHNICAL INTELLIGENCE

- l. General. There has been an increase in the knowledge of Soviet basic scientific capabilities and of the quality and quantity of their scientific and technical manpower. However, intelligence still is deficient in that it does not permit accurate assessment of the actual progress of the USSR in research and development of new weapons, and, with a few exceptions, the specific fields in which the Soviets are making intensive priority efforts cannot be identified. Substantial improvement in such estimates will depend to a high degree on the success of new collection techniques, some of which are already in a preliminary development stage.
- 2. Atomic Energy. The most significant advance during the past six months resulted from the interrogation of Germans returned from the USSR. These returnees have confirmed previous reports of the activities of German scientists in the Soviet atomic energy program, and have provided information that raises the confidence level in the estimates of Soviet U-235 production given in NIE 11-3-54.
- 3. Guided Missiles. Interrogation of numerous German scientists and technicians who have returned from the USSR has provided detailed technical reports of their activities, generally in the earlier stages of Soviet exploitation of the German guided missile program in the USSR. However, the extent to which the Soviet-directed German guided missile research and development efforts have been, or will be, reflected in any native Soviet guided missile program is not known. New intelligence techniques currently being employed give promise of providing better and more reliable information. A special project has been established to prepare a National Estimate on the "Status and Future Course of the Soviet Guided Missile Program." Intensified exploitation of all sources

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### SCIENTIFIC AND TECHNICAL INTELLIGENCE (continued)

as well as a paramount effort of research and assessment of known Soviet activities in this field are now underway, and the estimate is scheduled for publication early in the fourth quarter of 1954.

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# VIII. INTELLIGENCE SUPPORT FOR FOREIGN INFORMATION AND PSYCHOLOGICAL WARFARE PROGRAMS

On the request of the Director of the United States Information Agency, and in collaboration with the Department of State, the Director of Central Intelligence has conducted a survey of the essential needs and assets of USIA. This survey included consideration of the intelligence needs of agencies with similar programs. The survey has been forwarded to USIA and the Department of State for consideration.

Increased attention has been given to intelligence on resistance potential in countries behind the Iron Curtain. However, intelligence required in this field for war planning and operational requirements remains inadequate.

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#### IX. BASIC INTELLIGENCE

- 1. The initial production phase of the National Intelligence Surveys (NIS) program, begun in 1948 to meet the requirements of the U.S. Government for basic factual intelligence on a world-wide basis, is about 40% complete. 2,230 individual sections have been produced on 72 of the 108 NIS areas. During FY 1954 there was substantial attainment of the production goal of 8 equivalent NIS, and this rate of production is planned for FY 1955. Any further economy measures and personnel reductions may force a decreased rate of production in this program in the future.
- 2. NIS production is scheduled in accordance with JCS priorities and intelligence agency capabilities. NIS production on the group of 19 areas and 4 ocean areas of highest priority is approximately 75% complete, a gain of 20% during FY 1954. Present emphasis is being directed towards the maintenance program and the production of Chapter I (Brief), the first of which (Iran) was produced in June of this year. In addition, the biographic program of NIS has been expanded.
- 3. In a survey conducted by the NIS Committee, the replies received from users at all levels show that the NIS is considered to be of good quality on the whole, and that the NIS generally fulfills basic intelligence requirements. Coordination within and between all IAC and non-IAC agencies is excellent.

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#### X. COLLECTION

#### 1 1. The Foreign Service

The Foreign Service continues to be a primary overt source of intelligence information. Reporting from behind the Iron Curtain remains deficient because of severe restrictions on the number of US personnel and on their access to local sources. Cutbacks in other areas have adversely affected collection but not to a critical degree. Following are some of the more significant deficiencies:

- a. Reductions in staff and in travel have tended to confine reporting increasingly to the areas surrounding the cities where foreign service posts are located.
- b. Biographic reporting at many posts has been inadequate.
- c. Foreign Service personnel have been forced to reduce the volume of analytical reporting. A larger percentage of reporting is now primarily factual.
- d. Staff reductions, coupled with a gradual drying-up of sources, have affected peripheral reporting on the European Satellites of the USSR.
- e. The procurement of published information not available through commercial outlets has declined seriously in areas no longer covered by Publications Procurement Officers.

The foreign Service has become increasingly sensitive to intelligence requirements. Through the Comprehensive Economic Reporting

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#### COLLECTION (continued)

Program, intelligence requirements are being tailored to field capabilities with considerable success. On the political side, guides and appraisals are achieving similar results.

#### 2. Military Attache System

The Military Attache system continues to be a major source of military intelligence.

Travel restrictions in the countries of the Soviet Orbit continue to be a major obstacle to effective collection by Military Attaches. Although these restrictions have been eased, officially, in some countries, there has been a simultaneous increase in surveillance and administrative harassment which severely hampers attache collection activities.

There has been an over-all reduction in Military Attache complements, although adjustments of personnel to augment staffs at critical posts have resulted in some net improvement in coverage at these posts. Substantial improvement in military intelligence collection, apart from restrictions or assistance by foreign governments, will depend upon improved guidance and the development of new collection techniques.

#### 3. Overseas Commands

Overseas commands continue to be a primary source of information on Communist armed forces and war potential...The

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#### COLLECTION (continued)

flow of information from commands in Europe, particularly concerning developments in Eastern Germany and Eastern Austria, has been maintained, within the limitations indicated in Sections V and XI. Military intelligence in the Far East has suffered as a result of loss of sources available during combat. New sources of information are being developed to replace those lost as a result of military developments during the past year.

#### 4. Aerial Reconnaissance

The recent trend to taking greater advantage of reconnaissance capabilities continues, together with improvement in those capabilities. Research is producing further results in various fields of technique. The reconnaissance capabilities now available must, of course, be exercised within the framework of policy considerations of other than an intelligence nature.

Photo interpretation capability is improving, though it is still short of being completely satisfactory. This capability will decline if significant numbers of highly trained reserve personnel in this field continue to be placed on inactive duty.



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COLLECTION (continued)



#### 7. Foreign Materials and Equipment

Collection of Soviet Bloc non-military items was substantially higher than for the previous 12-month period, principally because of increased exports from the Bloc and larger-scale Soviet participation in international trade fairs. However, the quantity of Soviet military items has been substantially reduced as a result of the Korean cease-fire. Items previously obtained continue to be

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#### COLLECTION (continued)

analyzed and should provide a flow of dated intelligence information for quite some time. Improved methods for the collection and exploitation of these materials under present conditions and in future active theaters are under study.

#### 8. Programs in Electronics

#### a. Monitoring of Radio Jamming

Monitoring of the reception of U.S. broadcasts to the Soviet Bloc was increased, under the authority of NSC 169, by the use of intercept facilities placed in U.S. embassies behind the Iron Curtain. Results of three months' activity, generally considered to be successful, are currently being analyzed in detail to determine the advisability of continuing this program.

#### b. Non-Communications Electronic Intercept (ELINT)

The importance of ELINT as an aid in determining Soviet guided missile activity, electronic order of battle, and new electronic equipment has become increasingly recognized, and activities in this field during the past six months have resulted in the acquisition of new and significant information on Soviet electronic development.

Some progress has been made in coordination of the ELINT effort, but much remains to be done before it is

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#### COLLECTION (continued)

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satisfactorily integrated. Meanwhile, there has been

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All U.S. agencies have reviewed their programs and facilities to improve collection capabilities. CIA has reassessed its capabilities for covert participation and has established a basic policy for intensified operations.

#### 10. Foreign Language Publications

Collection of materials from the USSR and Communist China has improved somewhat. Exchanges with friendly countries have been very helpful, particularly in procurement of Soviet and Satellite military publications and, generally, for material from Soviet Bloc countries where the U.S. is not represented. Areas in which collection is inadequate include Southeast Asia and Africa, where there exist chronic difficulties of erratic publishing and dissemination.

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### COLLECTION (continued)

Pursuant to an interdepartmental study, CIA has adjusted its exploitation of Soviet and Chinese publications to meet the needs of the community more closely. Agreement has been reached on the responsibility for abstracting of foreign scientific and technical periodicals.

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# COVERT COLLECTION OF INTELLIGENCE RELATING TO THE SOVIET BLOC (continued)

In general, a substantial quantity of data of value to the intelligence community has been produced on both denied and nondenied areas, and certain further improvements have occurred in maintenance and support of clandestine collection assets.

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#### XII. SUPPORT AND COLLATION FACILITIES

#### 1. Foreign Publications

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All foreign publications procured through the Foreign Service are now controlled by a central index file in CIA. Receipts from

#### 2. Library Facilities

Systematic microfilming of all incoming intelligence reports has been commenced in the CIA Library with the collaboration of all IAC agencies. The system is designed to meet the needs of all members of the intelligence community.

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#### 3. Industrial Information

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4. Biographic Information

A Soviet Scientific Bibliographic File, now containing some has been established in CIA with the help of Air Force Intelligence and the Library of Congress.

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#### SUPPORT AND COLLATION FACILITIES (continued)



#### 6. External Research

The External Research Staff, Department of State (ERS) has issued an annual inventory and a quarterly supplement of Government-sponsored foreign area and psychological warfare external research projects. ERS also published a comprehensive list of non-Government social science research in progress on foreign areas. In addition, the External Research Staff has established a "Central Research File" which is available for reference by research analysts and collection officers.

The Scientific Estimates Committee (SEC) has published an annual report and a quarterly supplement on the status of scientific and technical intelligence production projects conducted by the member agencies of the SEC. The reports cover both external and internal research projects.

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## INTELLIGENCE ADVISORY COMMITTEE

Annual Status Report for the NSC on the Foreign Intelligence Program

- 1. Representatives of the IAC agencies have prepared the attached revision of Draft IAC-D-55/7, 22 July 1954.
- 2. This report will be submitted to the IAC for approval at its meeting on Tuesday, 3 August 1954.

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Secretary

IAC-D-55/7 28 July 1954

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#### I. INTELLIGENCE OBJECTIVES

The primary missions of the intelligence community have been defined in NSC 162/2, paragraph 10 of which prescribes that the U.S. shall:

"Develop and maintain an intelligence system capable of:

- "(1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- "(2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive sources of action affecting U.S. security;
- "(3) forecasting potential foreign developments having a bearing on U.S. national security."

While all aspects of the intelligence effort are related in some degree to each of these missions, the warning problem is discussed specifically in Section II of this Report. The most important form of evaluations and forecasting -- National Intelligence Estimates -- is covered in Section III. Sections IV-IX deal with various categories of intelligence contributing to evaluation, warning, and forecasting. Sections X-XII deal with collection and support facilities for the entire intelligence effort.

- 1 -

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#### II. WARNING OF ATTACK

- advance warning capability. For early warning of <u>air</u> attack, we are largely dependent on radar and forward observation stations, in lieu of "inside" sources which in the past have frequently been available for warning that an enemy was about to decide to go to war. However, <u>generally</u> our advance warning largely depends on the sifting of masses of material in our search for those indications of enemy activity which suggest that they are taking measures to implement a decision to attack. We are exploiting all available sources of information and constantly striving to develop new and improved means of detection of attack.
- 2. Pursuant to the recommendations of the <u>ad hoc</u> committee which reviewed the mission and operating procedures of the IAC Watch Committee, DCID 1/2 was issued in May 1954, revising the Watch Committee charter to provide for a National Indications Center (NIC) as a permanent IAC intelligence staff in direct support of the Watch Committee. This staff will comprise specialists from principal intelligence agencies, concentrating on intelligence from all sources for its bearing on indications of hostile action affecting U.S. national security.
- 3. A National Intelligence Estimate on the amount of warning to be expected, particularly in the event of Soviet air attack, is scheduled for completion in the third quarter of 1954. This will be the first coordinated national estimate on this subject.

- 2 -

#### III. NATIONAL ESTIMATES

- 1. During the past six months, 28 National Intelligence Estimates were produced, making a total of 47 for the year. The proportion of these estimates which were in support of specific NSC papers or policy decisions increased from 50% in the previous six month period to about 65% during the period under review.
- 2. A variety of different types of estimates was produced, with the heaviest concentration on Soviet Bloc and Far Eastern Affairs. There were seven papers on various aspects of Soviet Bloc Capabilities and Intentions, and six papers on Indochina, the latter all requested on short notice by the NSC or the Geneva Conference delegation. Two estimates were designed to provide intelligence support for long-range planning by the NSC, the most important being "Probable Effects of Increasing Nuclear Capabilities Upon the Policies of US Allies." The remainder of the papers were general estimates on probable developments in specific countries or estimates of foreign reaction to specific U.S. courses of action.
- 3. A revision of existing directives on national intelligence objectives is under active consideration, with a view to early submission to the IAC. This action is designed to relate intelligence collection and research more closely to the production of national intelligence for the policy makers, in the light of the primary missions set forth in NSC 162/2.

- 3 -

#### IV. POLITICAL, SOCIAL, AND CULTURAL INTELLIGENCE

The quality of intelligence analysis in these fields has been maintained during a period of intense activity in international affairs, which required close and sustained intelligence support. Political analyses and estimates have been closely geared to the intelligence requirements of top policy making and operating officers. Major effort in political and biographic production was directed to the Berlin and Geneva conferences and to the situation in Guatemala.

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#### V. MILITARY INTELLIGENCE

#### 1. General

Military intelligence on the Soviet Bloc is inadequate in most critical fields, including early warning of attack, enemy war plans, order of battle, military and para-military intentions in local areas, military equipment development and production, guided missiles, tactical atomic weapons, and technical and scientific developments. Inadequacies in military intelligence on the Soviet Bloc reflect the difficulties of collection on these countries and of collating and assessing the large volume of fragmentary reports of uncertain origin and validity which are received. Slow improvement is being made through more systematic research and analysis. Any substantial improvement will depend largely on an increase in the scope and efficiency of all collection operations and the development of new collection techniques.

### 2. Operational Intelligence

Intelligence on the movements and dispositions of Soviet and Satellite Armed Forces is generally unsatisfactory, except in a few areas such as East Germany. There has been an over-all decrease in the past several years in collection results with respect to Communist Armed Forces in the Far East. This decrease has been particularly noticeable during the past eighteen months, mainly because of the Korean cease-fire. The reduced Western position in Indochina will contribute to a reduction of effective intelligence coverage in the currently critical area of Southeast Asia.

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## MILITARY INTELLIGENCE (continued)

## 3. Target Materials Production

The production of standardized air target materials on vital targets throughout the World is progressing in a satisfactory manner. Essential target materials on all presently Navy nominated All-Weather Targets are scheduled for completion by 31 December 1955. As of 30 June 1954 target materials were complete for 44% and in final production for a further 24% of Navy All-Weather Targets.

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## VI. ECONOMIC INTELLIGENCE

- 1. General. Economic intelligence on the Soviet Bloc continues to show gradual over-all improvement, but reliable data are still inadequate and many analytical problems remain to be solved. Data for strategic sectors of the economy are relatively least satisfactory.
- 2. The probable range of error in intelligence estimates on the economy of the USSR, especially in respect to agriculture, consumer goods, the Soviet budget, and certain basic raw materials, has been reduced as a result of increased knowledge of the reliability of Soviet statistics, and the increased volume of official aggregate statistical information published since the death of Stalin. Together with refinements in aggregative techniques, this improvement should permit more factual estimates on rates of growth and trends in particular segments of the Soviet economy, although comparison with Western capabilities and rates of growth continues to present some difficult analytical problems.
- 3. Reporting from the European Satellites has shown some improvement due, in part, to intelligence briefing of field personnel, economic guidance instructions, and expansion of the travel folder program to the Satellites.
- 4. The volume of economic reporting on Communist China has increased during this period. As a result, somewhat more reliable estimates of economic trends and developments are now possible.

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### ECONOMIC INTELLIGENCE (continued)

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5. On East-West trade, substantial intelligence support has been rendered to the economic defense program for the revision of the strategic trade control lists. Intelligence gaps continue in most commodity categories, and there remains considerable difference of opinion within the intelligence community as to the strategic effect of trade controls. Intelligence for enforcement of economic defense measures has been further improved in timeliness through the activities of the coordinating Diversion Control Net. Intelligence on shipping engaged in Soviet Bloc trade continues to be good, and there has been some improvement in cargo information.

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- 6. Although the volume of economic reporting from the Free World has diminished somewhat because of personnel shortages, the quality of reporting from the Foreign Service and FOA has, in general, improved.
- The Economic Intelligence Committee continues to perform valuable coordinating functions. In addition to the coordination of research in fields of common interest, it now publishes regular surveys of completed and planned governmental and government-sponsored economic research, for use in identifying priority deficiencies.

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## VII. SCIENTIFIC AND TECHNICAL INTELLIGENCE

- 1. General. There has been an increase in the knowledge of Soviet basic scientific capabilities and of the quality and quantity of their scientific and technical manpower. However, intelligence still is deficient in that it does not permit accurate assessment of the actual progress of the USSR in research and development of new weapons, and, with a few exceptions, the specific fields in which the Soviets are making intensive priority efforts cannot be identified. Substantial improvement in such estimates will depend to a high degree on the success of new collection techniques, some of which are already in a preliminary development stage.
- 2. Atomic Energy. The most significant advance during the past six months resulted from the interrogation of Germans returned from the USSR. These returnees have confirmed previous reports of the activities of German scientists in the Soviet atomic energy program, and have provided information that raises the confidence level in the estimates of Soviet U-235 production given in NIE 11-3-54.
- 3. Guided Missiles. Interrogation of numerous German scientists and technicians who have returned from the USSR has provided detailed technical reports of their activities, generally in the earlier stages of Soviet exploitation of the German guided missile program in the USSR. However, the extent to which the Soviet-directed German guided missile research and development efforts have been, or will be, reflected in any native Soviet guided missile program is not known. New intelligence techniques currently being employed give promise of providing better and more reliable information. A special project has been established to prepare a National Estimate on the "Status and Future Course of the Soviet Guided Missile Program." Intensified exploitation of all sources

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## SCIENTIFIC AND TECHNICAL INTELLIGENCE (continued)

as well as a paramount effort of research and assessment of known Soviet activities in this field are now underway, and the estimate is scheduled for publication early in the fourth quarter of 1954.

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# VIII. INTELLIGENCE SUPPORT FOR FOREIGN INFORMATION AND PSYCHOLOGICAL WARFARE PROGRAMS

On the request of the Director of the United States Information Agency, and in collaboration with the Department of State, the Director of Central Intelligence has conducted a survey of the essential needs and assets of USIA. This survey included consideration of the intelligence needs of agencies with similar programs. The survey has been forwarded to USIA and the Department of State for consideration.

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#### IX. BASIC INTELLIGENCE

- 1. The initial production phase of the National Intelligence Surveys (NIS) program, begun in 1948 to meet the requirements of the U.S. Government for basic factual intelligence on a world-wide basis, is about 40% complete. 2,230 individual sections have been produced on 72 of the 108 NIS areas. During FY 1954 there was substantial attainment of the production goal of 8 equivalent NIS, and this rate of production is planned for FY 1955.
- 2. NIS production is scheduled in accordance with JCS priorities and intelligence agency capabilities. NIS production on the group of 19 areas and 4 ocean areas of highest priority is approximately 75% complete, a gain of 20% during FY 1954. Present emphasis is being directed towards the maintenance program and the production of Chapter I (Brief), the first of which (Iran) was produced in June of this year. In addition, the biographic program of NIS has been expanded.
- 3. In a survey conducted by the NIS Committee, the replies received from users at all levels show that the NIS is considered to be of good quality on the whole, and that the NIS generally fulfills basic intelligence requirements. Coordination within and between all IAC and non-IAC agencies is excellent.

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#### X. COLLECTION

### The Foreign Service

The Foreign Service continues to be a primary overt source of intelligence information. Reporting from behind the Iron Curtain remains deficient because of severe restrictions on the number of US personnel and on their access to local sources. Cutbacks in other areas have adversely affected collection but not to a critical degree. Following are some of the more significant deficiencies:

- a. Reductions in staff and in travel have tended to confine reporting increasingly to the areas surrounding the cities where foreign service posts are located.
- b. Biographic reporting at many posts has been inadequate.
- c. Foreign Service personnel have been forced to reduce the volume of analytical reporting. A larger percentage of reporting is now primarily factual.
- d. Staff reductions, coupled with a gradual drying-up of sources, have affected peripheral reporting on the European Satellites of the USSR.
- e. The procurement of published information not available through commercial outlets has declined seriously in areas no longer covered by Publications Procurement Officers.

The Foreign Service has become increasingly sensitive to intelligence requirements. Through the Comprehensive Economic Reporting Program,

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#### COLLECTION (continued)

intelligence requirements are being tailored to field capabilities with considerable success. On the political side, guides and appraisals are achieving similar results.

#### 2. Military Attache System

Travel restrictions in the countries of the Soviet Orbit continue to be a major obstacle to effective collection by Military Attaches. Although these restrictions have been eased, officially, in some countries, there has been a simultaneous increase in surveillance and administrative harassment which severely hampers attache collection activities.

There has been an over-all reduction in Military
Attache complements, although adjustments of personnel to
augment staffs at critical posts have resulted in some net
improvement in coverage at these posts. Substantial improvement in military intelligence collection, apart from restrictions
or assistance by foreign governments, will depend upon increased
guidance, improved inter-agency coordination at all levels, and
the development of new collection techniques.

#### 3. Overseas Commands

Overseas commands continue to be a primary source of information on Communist armed forces and war potential. The

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### COLLECTION (continued)

flow of information from commands in Europe has been maintained, within the limitations indicated in Section V, Military Intelligence, above. Commands in the Far East, however, must develop new sources of information to replace those lost as a result of military developments during the past year.

#### 4. Aerial Reconnaissance

The recenttrend to taking greater advantage of reconnaissance capabilities continues, together with improvement in those capabilities. Research is producing further results in various fields of technique. The reconnaissance capabilities now available must, of course, be exercised within the framework of policy considerations of other than an intelligence nature.

Photo interpretation capability is improving, though it is still short of being completely satisfactory. This capability will decline if significant numbers of highly trained reserve personnel in this field continue to be placed on inactive duty.

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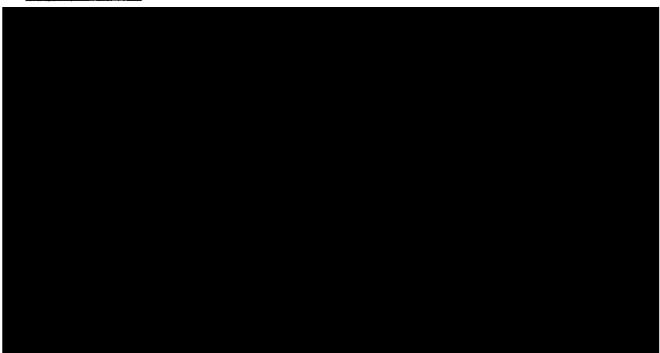
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COLLECTION (continued)



## 7. Foreign Materials and Equipment

Collection of Soviet Bloc non-military items was substantially higher than for the previous 12-month period, principally because of increased exports from the Bloc and larger-scale Soviet participation in international trade fairs. However, the quantity of Soviet military items has been substantially reduced as a result of the Korean cease-fire. Items previously obtained continue to be

- 16 -

#### **COLLECTION** (continued)

analyzed and should provide a flow of dated intelligence information for quite some time. Improved methods for the collection and exploitation of these materials under present conditions and in future active theaters are under study.

- 8. Programs in Electronics
- a. Monitoring of Radio Jamming

Monitoring of the reception of U.S. broadcasts to the Soviet Bloc was increased, under the authority of NSC 169, by the use of intercept facilities placed in U.S. embassies behind the Iron Curtain. Results of three months' activity, generally considered to be successful, are currently being analyzed in detail to determine the advisability of continuing this program.

b. Non-Communications Electronic Intercept (ELINT)



Some progress has been made in coordination of the ELINT effort, but much remains to be done before it is

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### COLLECTION (continued)

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satisfactorily integrated. Meanwhile, there has been

All U. S. agencies have reviewed their programs and facilities to improve collection capabilities. CIA has reassessed its capabilities for covert participation and has established a basic policy for intensified operations.

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## 10. Foreign Language Publications

Collection of materials from the USSR and Communist
China has improved somewhat. Exchanges with friendly countries
have been very helpful, particularly in procurement of Soviet and
Satellite military publications and, generally, for material from
Soviet Bloc countries where the U. S. is not represented. Areas
in which collection is inadequate include Southeast Asia and Africa,
where there exist chronic difficulties of erratic publishing and
dissemination.

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## **COLLECTION** (continued)

Pursuant to an interdepartmental study, CIA has adjusted its exploitation of Soviet and Chinese publications to meet the needs of the community more closely. Agreement has been reached on the responsibility for abstracting of foreign scientific and technical periodicals.

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## XI. COVERT COLLECTION OF INTELLIGENCE RELATING TO THE SOVIET BLOC



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## COVERT COLLECTION OF INTELLIGENCE RELATING TO THE SOVIET BLOC (continued)

In general, a substantial quantity of data of value to the intelligence community has been produced on both denied and nondenied areas, and certain further improvements have occurred in maintenance and support of clandestine collection assets.

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#### XII. SUPPORT AND COLLATION FACILITIES

1. Foreign Publications

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All foreign publications procured through the Foreign Service are now controlled by a central index file Receipts from

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#### 2. Library Facilities

Systematic microfilming of all incoming intelligence reports has been commenced in the CIA Library with the collaboration of all IAC agencies. The system is designed to meet the needs of all members of the intelligence community.

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#### 3. <u>Industrial Information</u>

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#### 4. Biographic Information

A Soviet Scientific Bibliographic File, now containing some has been established in CIA with the help of Air Force Intelligence and the Library of Congress.

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#### SUPPORT AND COLLATION FACILITIES (continued)

# 6. External Research

The External Research Staff, Department of State (ERS) has issued an annual inventory and a quarterly supplement of Government-sponsored foreign area and psychological warfare external research projects. ERS also published a comprehensive list of non-Government social science research in progress on foreign areas. In addition, the External Research Staff has established a "Central Research File" which is available for reference by research analysts and collection officers.

The Scientific Estimates Committee (SEC) has published an annual report and a quarterly supplement on the status of scientific and technical intelligence production projects conducted by the member agencies of the SEC. The reports cover both external and internal research projects.

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CENTRAL INTELLIGENCE AGENCY

22 July 1954

MEMORANDUM FOR THE INTELLIGENCE ADVISORY COMMITTEE

SUBJECT: Attached Draft of IAC-D-55/7

- l. Attached is the first draft of the Annual Status Report for the NSG on the Foreign Intelligence Program. It has been designated as IAC-3-55/7, continuing in the same sories as previous editions of the Report.
- 2. The ISC Secretariat has requested that the final report be submitted to it on I August. However, in view of the short notice given, we have obtained a short extension, and plan to present the Report to the IAC for its approval on Tuesday, 3 August.
- 3. It is requested that your representatives meet with us on Tuesday, 27 July, at 20:00 in Room 146 South Building, for the purpose of Rimilizing this draft as repidly as possible.

Secretary Invelligance Advisory Committee

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Draft IAC-D-55/7 22 July 1954

#### I. INTELLICENCE OBJECTIVES

The primary missions of the intelligence community have been defined in NSC 162/2, paragraph 10 of which prescribes that the U.S. shall:

"Develop and maintain an intelligence system capable of:

- "(1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- "(2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive sources of action affecting U.S. security;
- "(3) forecasting potential foreign developments having a bearing on U.S. national security."

While all aspects of the intelligence effort are related in some degree to each of these objectives, the warning problem is discussed specifically in Section II of this Report. The most important form of evaluations and forecasting — National Intelligence Estimates — is covered in Section III. Sections IV-IX deal with various categories of intelligence contributing to evaluation, warning, and forecasting. Sections X-XII deal with collection and support facilities for the entire intelligence effort.

#### THE SPORT

#### III. HATIONAL ESTIMATES

- 1. Turing the period of this report, 28 National Intelligence Estimates were produced. The proportion of these estimates which were in support of specific NSC papers or policy decisions increased from 50% in the previous mix month period to about 65% during the period uncer review.
- 2. A variety of different types of estimates was produced, with the heaviest concentration on Soviet Bloc and Far Eastern Affairs. There were seven papers on various aspects of Soviet Bloc Capabilities and Intentions, and six papers on Indochina, the latter all requested on shore notice by the NSC or the Geneva Conference delegation. Two ordinates were designed to provide intelligence support for long-range planning by the NSC, the most important being "Probable Effects of Increasing Nuclear Capabilities Upon the Policies of US Allies." The remainder of the papers were general estimates on probable developments in specific countries or estimates of foreign reaction to specific U.S.
- 3. The revision of existing directives on national intelligence objectives is scheduled for early submission to the IAC. This action is casigned to relate intelligence collection and research more closely to the production of national intelligence for the policy makers.

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#### IV. POLITICAL, SOCIAL AND CULTURAL INTELLIGENCE

The quality of intelligence analysis in these subjects has been maintained during a period of intense activity in international affairs, which required close and sustained intelligence support. Political analyses and estimates have been closely geared to the intelligence requirements of top policy making and operating officers. Major effort in political and biographic production was directed to the Berlin and Geneva conferences and to the situation in Guatemala.

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#### V. MILITARY LITELLIGENCE

#### 1. General

Military intelligence is inadequate in most critical fields, including early warning of attack, enemy war plans, order of battle, silitary and para-military intentions in local areas, military equipment development and production, guided missiles, tactical atomic mapons, and technical and scientific developments. In view of the elaborate counter-intelligence machinery employed in the Soviet Orbit, it is evident that a substantial recuction of these major deficiencies will depend largely on an increase in the scope and officiency of all intelligence collection operations and on the development of new collection tachniques. These are under continuing study.

#### 2. Operational latelligenee

Satellite Armed Forces is generally amountained of Soviet and creas. East Germany is a notable exception. The over-all decrease in the past several years in collection results for Communist Armed Forces in the Far Fast has been particularly noticeable during the past year. The Eurean cease-fire has contributed largely to this. The deterioration of the French position in Indechina will contribute to a reduction of effective coverage in the currently critical area of Southeast Asia.

3. Targeting In general, the targeting program is progressing in a entisfactory manner. Initial production of target materials for the highest priority Air Force tergets is almost complete for the USER and is progressing satisfactorily for the Satellites and approach areas.

Progress has been made on the preparation of comparable materials for the

highest priority Navy (all-weather) targets, with 65% of materials
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either complete or in final stages of production.

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#### VI. ECONOMIC INTELLIGENCE

- 1. The accuracy of intelligence estimates on the economy of the USSR, especially in respect to agriculture, consumer goods, the Soviet budget, and selected basic raw materials, has been improved considerably due to recent confirmations of the reliability of official Soviet commodity statistics, and the increased volume of official aggregate statistical information published since the death of Stalin. Together with refinements in aggregative techniques, this improvement should permit more factual estimates on rates of growth and trends in particular segments of the Soviet economy.
- 2. Reporting from the European Satellites has shown some improvement due, in part, to intelligence briefing of field personnel, economic guidance instructions, and expansion of the travel folder program to the Satellites.
- 3. The volume of economic reporting on Communist China has increased during this period. As a result, more reliable estimates of economic trends and developments are now possible.
- to the economic defense program for the revision of the strategic brade control lists. Gaps continue in some commodity categories.

  Intelligence for enforcement of economic defense measures has been further improved in timelinese through the activities of the coordinating diversion Control Net. Intelligence on shipping engaged in Soviet Blockerede continues to be good, but cargo information has not improved. Con-

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#### TOP SECRET

- 5. Although the volume of economic reporting from the Free World has diminished somewhat because of personnel shortages, the quality of reporting from the Foreign Service and FOA has, in general, improved.
- 6. The Economic Intelligence Committee continues to perform valuable coordinating functions. In addition to the coordination of publications in fields of common interest, it now conducts regular surveys of completed and planned governmental research, for use in spotting priority deficiencies.

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#### VII. SCIENTIFIC AND TECHNICAL INVELLIGENCE

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- 1. General. There has been an increase in the knowledge of Soviet basic scientific capabilities and of the quality and quantity of their scientific and technical manpower. However, intelligence still is defective in permitting accurate assessment of the actual progress of the USSR in research and development of new meapons, and, with a few exceptions, in the identification of the specific fields in which the Soviets are making intensive priority efforts. Substantial improvement in such estimates will depend to a high degree on the success of new collection techniques, some of which are already in a preliminary development stage.
- 2. Atomic Energy. The most significant advance during the pest six months resulted from the interrogation of Germans returned from the USSR. These returnees have confirmed previous reports of the activities of German scientists in the Soviet atomic energy program and, of particular importance, have provided information

3. Guided Missiles. Interrogation of numerous German scientists and technicians who have returned from the USSR has provided detailed technical reports of their activities. A recent high-level returnee was able to provide a fairly complete picture of Soviet exploitation of the German guided missile program in the USSR. However, the extent to which the Soviet-directed German guided missile research and development efforts have been, or will be, reflected in any native Soviet guided missile program is not known. New intelligence techniques are currently being employed in the hope of obtaining further information.

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# VIII. INTELLIGENCE SUPPORT FOR FOREIGN INFORMATION AND PSYCHOLOGICAL WARFARE PROGRAMS

On the request of the Director of the United States Information
Agency, and in collaboration with the Department of State, the Director
of Central Intelligence has conducted a survey of the essential needs
and assets of USIA. This survey included consideration of the intelligence
needs of agencies with similar programs. The survey has been forwarded
to the agencies concerned, for consideration and appropriate action.

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#### IX. BASIC INTELLIGENCE

- 1. The National Intelligence Surveys (NIS) program, begun in 1948 to meet the requirements of the U.S. Government for encyclopedic factual intelligence on a world-wide basis, is about 40% through a 10-year production schedule. 2,230 individual sections have been produced on 72 of the 108 NIS areas, which is the equivalent of approximately 36 complete NIS's. During FY 1954 there was substantial attainment of the production goal of 8 equivalent NIS. It is expected that this rate of production will be continued in FY 1955.
- 2. HIS production is scheduled in accordance with JCS priorities and intelligence agency capabilities. NIS production on the group of 19 areas and 4 ocean areas of highest priority is approximately 75% complete, a gain of 20% during FY 1954. Present emphasis is being directed towards the maintenance program and the production of Chapter I (Brief), the first of which (Iran) was produced in June of this year. In addition, the biographic program of HIS has been expanded.
- 3. In a survey conducted by the NIS Committee, the replies received from users at all levels show that the NIS is considered to be of good quality on the whole, and that the NIS generally fulfills basic intelligence requirements. Coordination within and between all IAC and non-IAC agencies is excellent.

#### TOP SECRET

#### X. COLLECTION

#### 1. The Foreign Service

The Foreign Service continues to be the principal overt source of intelligence information and has succeeded for the most part in meeting intelligence requirements. Reporting from behind the Iron Curtain remains deficient because of severe restrictions on the number of US personnel and on their access to local sources. Cutbacks in other areas have adversely affected collection but not to a critical degree. Following are some of the more significant deficiencies:

- a. Reductions in staff and in travel have tended to confine reporting increasingly to the areas surrounding the cities where foreign service posts are located.
- b. Biographic reporting at many posts has been inadequate.
- c. Foreign Service personnel have been forced to reduce the volume of analytical reporting. A larger percentage of reporting is now primarily factual.
- d. Staff reductions, coupled with a gradual drying-up of sources, have affected peripheral reporting on the European Satellites of the USSR.
- e. The procurement of published information not available through commercial outlets has declined seriously in areas no longer covered by Publications Procurement Officers.

The Foreign Service has become increasingly sensitive to intelligence requirements. Through the Comprehensive

#### TOP SECREM!

Economic Reporting Program, intelligence requirements are being tailored to field capabilities with considerable success. On the political side, guides and appraisals are achieving similar results.

#### 2. Military Attache System

Travel restrictions in the countries of the Soviet Crbit continue to be a major obstacle to effective collection by Military Attaches. Although these restrictions have been eased, officially, in some countries, there has been a simultaneous increase in surveillance and administrative harassment which severely hampers attache collection activities.

There has been an over-all reduction of 19% in Military Attache complements, although adjustments of personnel to augment staffs at critical posts have resulted in some net improvement in coverage at these posts. Substantial improvement in military intelligence collection, apart from restrictions or assistance by foreign governments, will depend upon increased guidance, improved inter-agency coordination at all levels, and the development of new collection techniques.

#### 3. Overseas Commands

Overseas commands continue to be a vital primary source of information on Communist armed forces. The flow of information from sommands in Europe has been maintained, within the limitations indicated in Section V. Military Intelligence, above. Commands in the Far Beat, however, must develop new sources of information to replace those tost as a result of military developments during the past year.

TOP SECRET

#### h. Aerial Recommaissance

The recent trend to taking greater advantage of reconnaissance capabilities continues, together with improvement in those capabilities. Research is producing further results in various fields of technique. The greatly increased reconnaissance capabilities now available must, of course, be exercised within the framework of policy considerations of other than an intelligence nature.

Photo interpretation capability is improving, though it is still short of being completely satisfactory. The Navy reports danger of a decline in this field if significant numbers of highly trained reserve personnel continue to be placed on inactive duty.

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### b. Geonomic Data

A consimer task-force found that 80% of the economic data collected from radio broadcasts is not available from any other source; consequently, arrangements have been made to disseminate all such data in suitable form.

### 10 Core pr Maverials and Equipment

Collection of Soviet Plos non-military items was substantially higher than for the previous 12-month period, principally because of increased exports from the Bloc and larger-scale Soviet participation in international trade fairs.

However, the quantity of Soviet military

items has been substantially reduced as a result of the Korean cease—
fire. Items previously obtained continue to be analyzed and should provide a flow of dated intelligence information for quite some time.

Improved methods for the collection and exploitation of these materials
under present conditions and in future active theaters are under study.

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### MOP SECRET

### 3. Programs in Electronics

### a. Monitoring of Radio Jamming

Monitoring of the reception of U.S. broadcasts to the Soviet

Bloc was increased, under the authority of MSC 169, by the use
of intercept facilities placed in U.S. embassies behind the Iron
Curtain. Results of three months' activity, generally considered
to be successful, are currently being analyzed in detail to determine
the advisability of continuing this program.

25X1D

# b. Non-Communications Electronic Intercept (ELINT)

Some progress has been made in coordination of the ELINT effort, notably through the creation by the JCS of a Joint Electronics Analysis Group, but much remains to be done before the effort is satisfactorily integrated. Meanwhile, there has been an improvement

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bilities. CIA has reassessed its capabilities for covert participation and has established a basic policy for intensified operations.

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### 10. Foreign Lenguage Publications

Collection of materials from the USSR and Communist China has improved somewhat. Exchanges with friendly countries have been very belieful, particularly in procurement of Soviet and Satellite military publications and, generally, for material from Soviet Bloc countries where the U.S. is not represented. Areas in which collection is indeequate include Southeast Asia and Africa, whose there exist chronic disficulties of exercise publishing and discensisation.

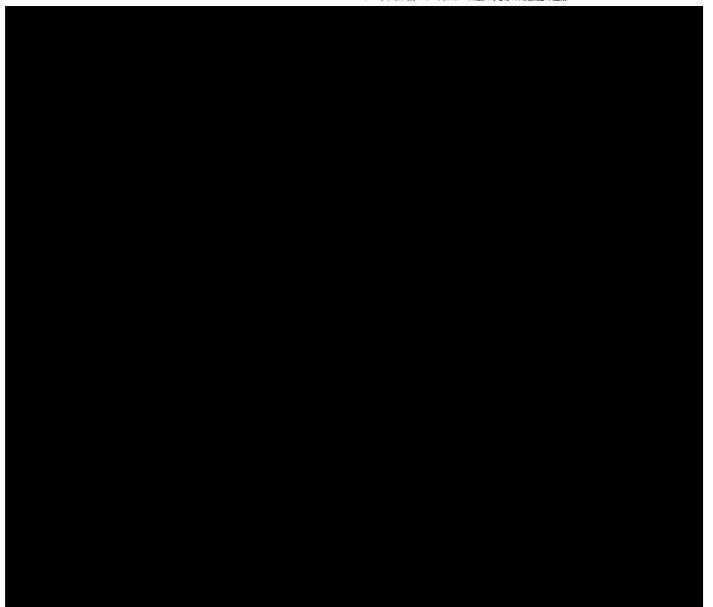
Pursuant to an interdepertmental study, CIS has adjusted its exploitation of Soviet and Chinose publications to meet the needs of the community more closely. Agreement has been reached on the responsibility for abotracting of fereign negacitific and technical periodicals.

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# 27. COVERT COLLECTION OF INTELL VENCE STATING TO THE SOVIET BLOC



In game al, a substantial quantity of data of value to the intelligence con white has been produced on both denied and non-decided areas, and certain forther improvements have occurred in maintenance and support of clarification collection assets.

### TOP REVERSE

# XII. SUPPORT AND COLLATION FACILITIES

1. Foreign Publications

All foreign publications procured through the Foreign Service are now controlled by a central index file in CIA.

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2. <u>Library Facilities</u>

Systematic microfilming of all incoming intelligence reports has been communed in the CIA Library with the collaboration of all IAC consider. The system is designed to meet the needs of all members of the intelligence community.

3. Industrial Information

. Llographic Information

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### 6. External Research

The External Research Staff, Department of State (ERS) has issued an annual inventory and a quarterly supplement of Government-sponsored foreign erze and psychological warfare external research projects. Has also published a comprehensive list of non-Government social science research in progress on foreign areas. In addition, the External Research Staff has established a "Central Research File" which is available for reference by research analysts and collection officers.

The Scientific Estimates Committee (SEC) has published an annual report and a quarterly supplement on the status of scientific and technical intelligence production projects conducted by the member agencies of the SEC. The reports cover both external and internal research projects.

### TOP SECRET

#### NATIONAL SECURITY COUNCIL

TOP SECRET CONTROL FORM

#### **ATTENTION**

By direction of the President, this form must be signed and completed by each individual (1) who reads this document wholly or in part or (2) who personally handles it and has access to its contents. Such access must be limited to those individuals having a "need to know" and appropriate Top Secret clearance.

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#### WARNING

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, U.S.C., SECTIONS 793 AND 794. AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

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CIA 36337-e Copy No. IAC-D-55/6 (Final)

2 March 1954

# INTELLIGENCE ADVISORY COMMITTEE

NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program

- 1. Attached is a copy of subject report as reproduced by the National Security Council Secretariat.
- 2 This report is based on IAC-D-55/6 (Second Revision), 10 February 1954, as modified by the IAC at its meeting on 16 February (See IAC\_M\_141, paras. 2 and 3).

25X1A

Secretary

February 19, 1954

Part 8 - THE FOREIGN INTILLIGENCE PROGRAM

(Prepared by the Central Intelligence Agency and concurred in by the Intelligence Advisory Committee)

(This report states the most significant changes which occurred during the period June 30 - December 31, 1953; it supplements the full report on the status of the program on June 30, 1953, issued as No. 9, NSC 161.)

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### I. OBJECTIVES

### 1. National Security Act of 1947, as Amended

For the purpose of coordinating the intelligence activities of the several Governmental departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council--

NSC 5407, Part 8

- (1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to the national security;
- (2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;
- (3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: Provided, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: Provided further, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: And provided further, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;
- (4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Cuuncil determines can be more efficiently accomplished centrally;
- (5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.

### 2. NSC 162/2, paragraph 10:

Develop and maintain an intelligence system capable of:

- (1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- (2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting U. S. security;
- (3) forecasting potential foreign developments having a bearing on U. S. national security.

### II. COORDINATION

- l. When the IAC agencies concurred in the last report (issued as No. 9, NSC 161), they pointed out that the effects of budget cuts then recently imposed on intelligence activities could not be assessed at that time. Since then, the agencies have experienced the effects of budget reductions and have been endeavoring to meet the situation by shifting assets or curtailing activities considered to be least urgent from the viewpoint of immediate requirements. The effect of this curtailment has not been completely apparent during the period under review. The most serious effects of budget cuts have been felt in the collection activities of the Foreign Service and even these are being met, at least partially, by alternative activities.
- 2. Collectively, the agencies, at the request of the Bureau of the Budget, have developed a suggested listing of categories of intelligence activities as an aid to the Bureau in its proposed budgetary analysis of intelligence programs. This analysis should, among other results, aid the agencies in their continuing appraisal of the costs of the foreign intelligence program.
- 3. Two Director of Central Intelligence Directives were issued, and one revised, with the concurrence of the IAC, during this period. DCID 7/1 establishes procedures for insuring that all non-governmental individuals offering foreign intelligence information are referred to CIA for exploitation in accordance with NSCID-7. DCID 3/5 refines procedures for the production of national intelligence estimates. DCID 4/2 was revised to include, in the priority list of critical national intelligence objectives, Soviet and Satellite capabilities and intentions for conducting clandestine attack by mass destruction weapons.

#### III. NATIONAL ESTIMATES

1. During the period of this report, the IAC approved 19 national intelligence estimates. These estimates have been increasingly responsive to the requirements of the NSC Planning Board. For example, in large part as a result of the needs of the Planning Board for intelligence support in the formulation of policy, 6 national estimates were produced dealing with the Soviet Bloc. In addition, the NSC concern with the emergency situations in Korea and Indochina resulted in the production of one estimate on the former area and 3 on the latter.

- 2. The IAC undertook 2 pioneer-type estimates during the period of this report. The first was a general estimate of the world situation over a 2-year period. This was published in the third quarter of 1953. The second estimate deals with the implications of increasing Soviet nuclear weapon capabilities on the policies of selected non-Communist courntries. This estimate is scheduled for publication in the first quarter of 1954. Both of these estimates are designed to provide intelligence support for NSC broad, long-range planning.
- 3. Another current effort is designed to relate more directly the work of collection and research activities to the needs of the policy makers for national intelligence. At the direction of the IAC, the Board of National Estimates is preparing recommendations for revising directives on national intelligence objectives.

# IV. POLITICAL, SOCIAL AND CULTURAL INTELLIGENCE

The quality of analysis by the staffs producing political, sociological and cultural intelligence has been fully maintained and even improved. In part, the pressure of demands on reduced staffs has been met by a stepping-up of the long-term trend toward the merging of economic, political, and sociological analysis in dealing with individual intelligence problems.

### V. MILITARY INTELLIGENCE

### 1. General

Currently, the Intelligence Community is seeking to exploit fully presently available intelligence techniques, both in production and in collection. Nevertheless, coverage remains inadequate in critical areas, such as: enemy war plans, early warning of attack, order of battle, enemy localized military and para-military intentions, military equipment development and production, guided missiles, tactical atomic weapons, and technical and scientific military developments. Substantial improvement in the military intelligence field will depend largely upon the increase in the scope and effectiveness of all intelligence collection operations and the development of new collection techniques, now being explored, against military intelligence targets.

### 2. Operational Intelligence

The best source of intelligence concerning enemy units in Korea was cut off by the signing of the Armistice.

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Insufficient intelligence is available on the movement or location of Chinese armed forces. The augmentation of U. S. intelligence personnel in Viet Nam should result in some improvement in reporting from that area.

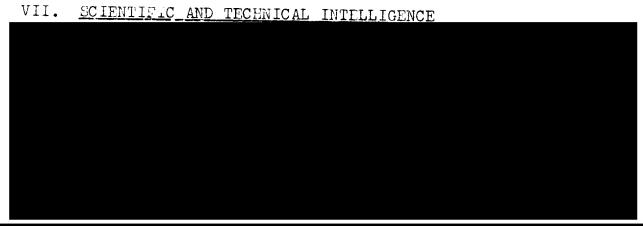
#### 3. Targeting

Initial production of target materials for the highest priority Air Force targets is almost complete for the U.S.S.R. and is progressing satisfactorily for the Satellites and approach areas. Only about one-half of the comparable materials for highest priority Navy (all-weather) targets have been placed in production.

### VI. ECONOMIC INTELLIGENCE

- 1. The recent revisions of economic policy and plans in the Soviet Bloc countries have led to an increase in the flow of Soviet and Satellite data on production, trade, and consumption, a considerable amount of which has been in absolute terms. These new data should permit improved estimates on rates of development and trends in particular sectors of the Bloc economies.
- 2. Intelligence needed for enforcement of economic defense measures has been improved during the last six months by the operation of interagency organization to (a) provide rapid collation and analysis of intelligence on illegal transactions with the Soviet Bloc, (b) speed the dissemination of intelligence to appropriate action agencies, and (c) improve the receipt of information on priority requests to the field.

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NSC 5407. Part 8



### IX. BASIC INTELLIGENCE

- 1. National Intelligence Surveys (NIS) now complete represent one-third of world-wide coverage, most of which is on the JCS high priority areas.
- 2. Increasing emphasis is being given to revision of published NIS under the maintenance program, and to the production of Chapters I (Summary Brief).
- 3. The NIS Committee has authorized a survey of all NIS users for guidance in the long range development of the Program. The survey is now being conducted by the several IAC agencies.

### X. WARNING OF ATTACK

- 1. The enemy's choice of the type of attack and the origin of his attack greatly affect our early warning capability. For early warning of air attack, we are largely dependent on radar and forward observation stations, in lieu of "inside" sources which in the past have frequently been available for warning that an enemy was about to decide to go to war. However, generally our advance warning largely depends on the sifting of masses of material in our search for those indications of enemy activity which suggest that they are taking measures to implement a decision to attack. We are exploiting all available sources of information and constantly striving to develop new and improved means of detection of attack.
- 2. In October 1953 the IAC established an <u>ad hoc</u> committee to review, in the light of the present international situation, the mission and operating procedures of the IAC Watch Committee. Progress has been made in revising the "mission and functions" of the Watch Committee, including detailed methods of operation and nature of support.

NSC 5407, Part 8

### XI. COLLECTION

### 1. The Foreign Service

Intelligence reporting and collection from Foreign Service facilities have been generally adequate to meet minimum intelligence requirements. The flow of information from the Iron Curtain areas is deficient, but this dificulty stems from limitations imposed by the Orbit governments rather than from lack of field resources. In other areas, there has been a significant drop in the quantity of materials received, but there has not yet been noted much basic change in the quality of current political, sociological, and economic reporting.

There have been interruptions attributable to temporary dislocations of personnel. In addition, deficiencies have been noted in the following fields:

- a. Peripheral reporting on the European Satellites of the USSR.
- b. Reporting of a background and analytical nature.
  - c. Biographic reporting.
- d. Procurement of publications other than regular subscriptions, particularly from London and Rome.

Meanwhile, progress has been made in providing the field with guidance instructions in political and economic fields; most important posts have been covered except in the Latin American area. In response to instructions, worthwhile contributions are now being received from most posts in support of psychological intelligence activities.

### 2. Service Attache System

Some easing of travel restrictions in the USSR and the European Satellites has enabled Service attaches to increase their coverage somewhat. The proportion of techncial specialists in the Attache System has been increased to improve the coverage of scientific and technical subjects.

### 3. Overseas Commands

Overseas commands continue to be a primary source of information on Communist armed forces. The cessation of

NSC 5407, Part 8

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hostilities and loss of contact with enemy forces in Korea has, of course, resulted in a sharp decline in the flow of information on North Korean and Chinese forces.

### 4. Aerial Reconnaissance

Recently, the Armed Services have been enabled to take more advantage of their reconnaissance capability. This capability continues to improve; research is progressing in various fields of reconnaissance techniques. It should be recognized that this capability must be exercised within the framework of policy considerations of other than an intelligence nature.

The photo interpretation capability is improving, though it is still short of being completely satisfactory.

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## b. Propaganda Analysis

A new series, "Radio Propaganda Reports," was initiated to meet the requirements of estimating offices and psychological warfare activities for more numerous and more specialized propaganda studies on substantive intelligence problems.

## 7. Foreign Materials and Equipment

Collection of Soviet Bloc items from both overt and covert sources continued to increase and was substantially

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TOP SECRET

higher than for the comparable period in 1952. Items of captured enemy material obtained in Korea prior to the end of military operations are being analyzed and should provide a flow of intelligence information over the next year. Improved methods for the collection and exploitation of such material in any future active theaters of war are under intensive study. Of special interest has been the technical exploitation of Soviet aircraft, communications equipment, and machine tools.

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### 8. Programs in Electronics

### a. Monitoring of Radio Jamming

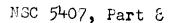
NSC 66/1 has been supplemented by NSC 169, which provides a basis for a considerable expansion of programs concerned with monitoring of Soviet jamming and related activities in the radio frequency spectrum. Planning for the implementation of NSC 169 has been initiated. Trained personnel and necessary equipment are being assigned to several U. S. embassy staffs behind the Iron Curtain to monitor the technical effectiveness of U. S. broadcasts to Soviet Bloc countries.

# b. Non-Communications Electronic Intercept

The effective exploitation of all U. S. non-communications electronic intercept facilities and capabilities for collecting scientific and order of battle information on Soviet military capabilities has been under study by the Department of Defense and CIA. Meanwhile there has been improvement in field coordination and liaison, in analysis and distribution of data

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# 10. Foreign Language Publications

Guidance of the collection of foreign language publications by the Foreign Service has been strengthened by assistance from CIA, as has the Washington processing and distribution of such publications.

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# XII. SUPPORT AND COLLATION FACILITIES

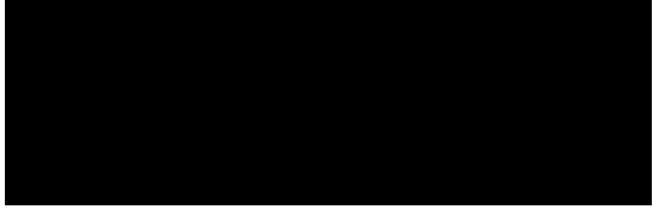
### 1. Library Facilities

Lexical inventories for most of the languages of intelligence interest, and annotated lists of intelligence serial publications produced by some of the member agencies, have been prepared.

### 2. <u>Industrial Information</u>

Indexing by tabulating machine methods to speed the analysis of data is two-thirds complete for the Soviet Union. Coding and indexing of end-product references was recently begun for East Germany, with China to follow.

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# 4. External Research

The External Research Staff, Department of State, is stepping up its function of apprizing the Intelligence Community of economic, political and related research on foreign areas sponsored by foundations, universities, and individual scholars. It is preparing periodical inventories of similar research sponsored by the Federal Government and reports on research on psychological and unconventional warfare.

The EIC has compiled an inventory of government sponsored external economic research projects on the Soviet Bloc for the period January 1, 1952, through September 30, 1953.

NSC 5407, Part 8 - 10 - TOP SECRET

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#### INTELLIGENCE ADVISORY COMMITTEE

NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program

- 1. Representatives of the IAC agencies have prepared the attached revision of IAC-D-55/6 (Revised), 29 January 1954.
- 2. This report will be considered by the IAC at its meeting on 16 February 1954.

Secretary

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IAC-D-55/6 (Second Revision) 10 February 1954

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#### No. - THE FOREIGN INTELLIGENCE PROGRAM

(Prepared by the Central Intelligence Agency and concurred in by the Intelligence Advisory Committee)

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IAC-D-55/6
(Second Revision)
10 February 1954

#### **OBJECTIVES**

#### 1. National Security Act of 1947, as Amended:

For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council—

- (1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to the national security;
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IAC-D-55/6 10 February 1954

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#### OBJECTIVES (Continued)

### 2. NSC 162/2, paragraph 10:

Develop and maintain an intelligence system capable of:

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IAC-D-55/6 10 February 1954

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10 February 1954

### NO. - THE FOREIGN INTELLIGENCE PROGRAM

(This report states the most significant changes which which occurred during the period 30 June-31 December 1953; it supplements the full report submitted 3 August 1953 as No. 9 in NSC-161.)

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#### I. COORDINATION

- 1. When the IAC agencies concurred in the last report submitted, they pointed out that the effects of budget cuts then recently imposed on intelligence activities could not be assessed at that time. Since then, the agencies individually have experienced the effects of budget reductions and now conclude that to date these have been possible of assimilation by shifting assets or curtailing activities considered to be least urgent from the viewpoint of immediate requirements. The effect of this curtailment has not been completely apparent during the period under review. The most serious effects of budget cuts have been felt in the collection activities of the Foreign Service and even these are being met, at least partially, by alternative activities.
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IAC-D-55/6 (Second Revision) 10 February 1954

### II. NATIONAL ESTIMATES

- 1. During the period of this report, the IAC approved nineteen national intelligence estimates. These estimates have been increasingly responsive to the requirements of the NSC Planning Board. For example, in large part as a result of the needs of the Planning Board for intelligence support in the formulation of policy, six national estimates were produced dealing with the Soviet Bloc. In addition, the NSC concern with the emergency situations in Korea and Indochina resulted in the production of one estimate on the former area and three on the latter.
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The quality of analysis by the staffs producing political, sociological and cultural intelligence has been fully maintained and even improved. In part, the pressure of demands on reduced staffs has been met by a stepping-up of the long-term trend toward the merging of economic, political, and sociological analysis in dealing with individual intelligence problems.

IAC-D-55/6 (Second Revision) 10 February 1954) Approved For Release 2001/12/04: CIA-RDP85S00362R000400110001-4
CIA 36337-b
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(Second Revision)
10 February 1954

#### IV. MILITARY INTELLIGENCE

#### 1. General

Currently, the Intelligence Community is seeking to exploit fully presently available intelligence techniques, both in production and in collection. Nevertheless, coverage remains inadequate on the following critical aspects of military intelligence: enemy war plans, early warning of attack, and bacteriological, chemical, and radiological warfare capabilities. New techniques in collection are being explored, but it is not practical to depend on them for substantial improvement within the foreseeable future.\*

### 2. Operational Intelligence

The best source of intelligence concerning enemy units in Korea was cut off by the signing of the Armistice. Insufficient intelligence is available on the movement or location of Chinese armed forces. The augmentation of U.S. intelligence personnel in Viet Nam should result in some improvement in reporting from this area.

### 3. Targeting

Initial production of target materials for the highest priority Air Force targets is almost complete for the U.S.S.R. and is progressing satisfactorily for the Satellites and approach areas. Only about one-half of the comparable materials for highest priority Navy (all-weather) targets have been placed in production.

Armed forces intelligence is inadequate in critical areas. No intelligence has been received which, to any appreciable degree, satisfies the major deficiencies in the armed forces intelligence requirements. Substantial improvement will depend largely upon the increase in the scope and efficiency of clandestine operations against \*military targets.

<sup>\*</sup>Some agencies prefer the following statement of this section:

CIA 36337-b IAC-D-55/6 (Second Revision) 10 February 1954

#### V. ECONOMIC INTELLIGENCE

- 1. The recent revisions of economic policy and plans in the Soviet Bloc countries have led to an increase in the flow of Soviet and Satellite data on production, trade, and consumption. A considerable amount of these data was reported in absolute terms of production, trade, and consumption. These new data should permit improved estimates on rates of development and trends in particular sectors of the Bloc economies.
- 2. Intelligence needed for enforcement of economic defense measures has been improved during the last six months by the operation of interagency organization to (a) provide rapid collation and analysis of intelligence on illegal transactions with the Soviet Bloc, (b) speed the dissemination of intelligence to appropriate action agencies, and (c) improve the receipt of information on priority requests to the field.

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#### VI. SCIENTIFIC AND TECHNICAL INTELLIGENCE



CIA 36337-b IAC-D-55/6 (Second Revision) 10 February 1954 25X1C



### VIII. BASIC INTELLIGENCE



- 1. One-third of world-wide coverage, most of which is on the JCS high priority areas, is now complete.
- 2. Increasing emphasis is being given to revision of published NIS under the maintenance program, and to the production of Chapters I (Summary Brief).
- 3. The NIS Committee has authorized a survey of all NIS users for guidance in the long range development of the Program. The survey is now being conducted by the several IAC agencies.

IAC-D-55/6 (Second Revision) 10 February 1954

CIA 36337-b IAC-D-55/6 (Second Revision) 10 February 1954

### IX. WARNING OF ATTACK

- 1. The enemy's choice of the type of attack and the origin of his attack greatly affect our early warning capability. We are largely dependent for early warning on radar and forward observation stations for furnishing information on air attack, in lieu of "inside" sources which in the past have frequently been available for warning that an enemy was about to decide to go to war. However, generally our advance warning largely depends on the sifting of masses of material in our search for those indications of enemy activity which suggest that they are taking measures to implement a decision to attack. We are exploiting all available sources of information and constantly striving to develop new and improved means of detection of attack.
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(Second Revision)
10 February 1954

#### X. COLLECTION

### 1. The Foreign Service

Within the limitations imposed by the Orbit, reporting and intelligence collection in all fields has continued at a satisfactory level with no insurmountable deficiencies in our resources yet noted. Considerable progress has been made in providing the field with stand ard guidance instructions in political and economic fields; all important posts have been covered except in the Latin American area. In response to instructions, worthwhile contributions are now being received from most posts in support of

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### 2. Service Attache System

Some easing of travel restrictions in the USSR and the European Satellites has enabled Service attaches to increase their coverage somewhat. The proportion of technical specialists in the Attache System has been increased to improve the coverage of scientific and technical subjects.

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Overseas commands continue to be a primary source of information on Communist armed forces. The cessation of hostilities and loss of contact with enemy forces in Korea has, of course, resulted in a sharp decline in the flow of information on North Korean and Chinese forces.

#### 4. Aerial Reconnaissance

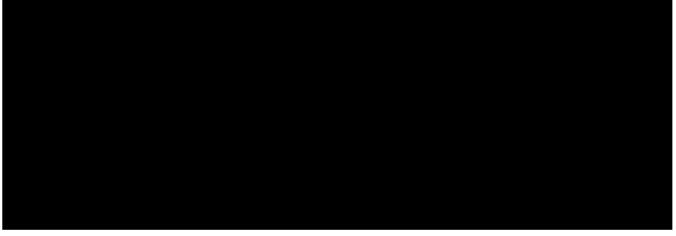
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The photo interpretation capability is improving though still short of being completely satisfactory.

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### b. Propaganda Analysis

A new series, "Radio Propaganda Reports," was initiated to meet the requirements of estimating offices and psychological warfare activities for more numerous and more specialized propaganda studies on substantive intelligence problems.

#### 7. Foreign Materials and Equipment

Collection of Soviet Bloc items from both overt and covert sources continued to increase and is substantially higher than for the comparable period in 1952. Items of captured enemy material obtained in Korea prior to the end of military operations are being analyzed and should provide a flow of intelligence information over the next year. Improved methods for the collection and exploitation of such material in any future active theaters of war are under intensive study. Of special interest has been the technical exploitation of Soviet aircraft, communications equipment, and machine tools.

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### 8. Programs in Electronics

### a. Monitoring of Radio Jamming

NSC 66/1 has been supplemented by NSC 169 which provides a basis for a considerable expansion of programs concerned with monitoring of Soviet jamming and related activities in the radio frequency spectrum. Planning for the implementation of NSC 169 has been initiated. Trained personnel and necessary equipment are being assigned to several U.S. embassy staffs behind the Iron Curtain to monitor the technical effectiveness of U.S. broadcasts to Soviet Bloc countries.

### b. Non-Communications Electronic Intercept

The effective exploitation of all U.S. non-communications electronic intercept facilities and capabilities for collecting scientific and order of battle information on Soviet military capabilities has been under study by the Department of Defense and CIA. Meanwhile there has been improvement in field coordination and liaison, in analysis and distribution of data

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### 10. Foreign Language Publications

Guidance of the collection of foreign language publications by the Foreign Service has been strengthened by assistance from CIA as has the Washington processing and distribution of such publications.

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### XI. SUPPORT AND COLLATION FACILITIES

### 1. Library Facilities

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Lexical inventories for most of the languages of intelligence interest, and annotated lists of intelligence serial publications produced by some of the member agencies, have been prepared.

### 2. Industrial Information

Indexing by tabulating machine methods to speed the analysis of data is two-thirds complete for the Soviet Union. Coding and indexing of end-product references was recently begun for East Germany, with China to follow.

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#### 4. External Research

The External Research Staff, Department of State, is stepping up its function of apprizing the Intelligence Community of

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economic, political and related research on foreign areas sponsored by foundations, universities, and individual scholars. It is preparing periodical inventories of similar research sponsored by the Federal Government and reports on research on psychological and unconventional warfare.

The EIC has compiled an inventory of government sponsored external economic research projects on the Soviet Bloc for the period 1 January 1952 through 30 September 1953.

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CIA-36337-a Copy No. 36 IAC-D-55/6 (REVISED) 29 January 1954

#### INTELLIGENCE ADVISORY COMMITTEE

NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program

- 1. Representatives of the IAC agencies have prepared the attached revision of IAC-D-55/6 (13 January 1954) and recommend that the IAC concur in this report and the DCI transmit it.
- 2. It would be appreciated if each agency would telephone its concurrence or proposed changes to the undersigned by noon, Wednesday, 3 February 1954.

Secretary

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#### No. - THE FOREIGN INTELLIGENCE PROGRAM

(Prepared by the Central Intelligence Agency and concurred in by the Intelligence Advisory Committee)

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#### **OBJECTIVES**

## 1. National Security Act of 1947, as Amended:

For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of CIA, under the direction of the National Security Council —

- (1) to advise the NSC in matters concerning such intelligence activities of departments and agencies as relate to the national security;
- (2) to make recommendations to the NSC for the coordination of such intelligence activities of the departments and agencies as relate to the national security;
- (3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: provided, that CIA shall have no police, subpoena, law enforcement powers, or internal security functions: provided further, that the departments and other agencies shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: and provided further, that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;
- (4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the NSC determines can be more efficiently accomplished centrally;
- (5) to perform such other functions and duties related to intelligence affecting the national security as the NSC may from time to time direct.

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#### OBJECTIVES (Continued)

# 2. NSC 162/2, paragraph 10:

Develop and maintain an intelligence system capable of:

- (1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- (2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting U.S. security;
- (3) forecasting potential foreign developments having a bearing on U.S. national security.

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# NO. - THE FOREIGN INTELLIGENCE PROGRAM

(This report states the most significant changes which have occurred during the period 30 June-31 December 1953; it supplements the full report submitted 3 August 1953 as No. 9 in NSC-161.)

#### I. COORDINATION

- 1. When the IAC agencies concurred in the last report submitted, they pointed out that the effects of budget cuts then recently imposed on intelligence activities could not be assessed at that time. Since then, the agencies individually have experienced the effects of budget reductions and now conclude that to date these have been possible of assimilation by shifting assets or curtailing activities considered to be least urgent from the viewpoint of immediate requirements. The effect of this curtailment has not been completely apparent during the period under review. The most serious effects of budget cuts have been felt in the collection activities of the Foreign Service and even these are being met, at least partially, by alternative activities.
- 2. Collectively, the agencies, at the request of the Bureau of the Budget, have developed a suggested listing of categories of intelligence activities as an aid to the Bureau in its proposed budgetary analysis of intelligence programs. It is hoped that this analysis will, among other results, aid the agencies in their continuing appraisal of the costs of the foreign intelligence program.
- 3. Two Director of Central Intelligence Directives were issued, and one revised, with the concurrence of the IAC, during this period. DCID 7/1 establishes procedures for insuring that all non-governmental individuals offering foreign intelligence information are referred to CIA for exploitation in accordance with NSCID-7. DCID 3/5 refines procedures for the production of national intelligence estimates. DCID 4/2 was revised to include, in the priority list of critical national intelligence objectives, Soviet and Satellite capabilities and intentions for conducting clandestine attack by mass destruction weapons.

#### II. NATIONAL ESTIMATES

1. At the request of the IAC, the Board of National Estimates, CIA, has undertaken a review of DCID's 4/1 and 4/2, issued under NSCID-4, on national intelligence objectives.

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#### III. POLITICAL, SOCIAL AND CULTURAL INTELLIGENCE

The quality of analysis by the staffs producing political, sociological and cultural intelligence has been fully maintained and even improved. In part, the pressure of demands on reduced staffs has been met by a stepping-up of the long-term trend toward the merging of economic, political, and sociological analysis in dealing with individual intelligence problems.

#### IV. ARMED FORCES INTELLIGENCE

#### 1. General

Armed forces intelligence is inadequate in critical areas. No intelligence has been received which, to any appreciable degree, satisfies the major deficiencies in the armed forces intelligence requirements. Any improvement will depend upon the increase in efficiency of clandestine operations against military targets.

### 2. Operational Intelligence

The best source of intelligence concerning enemy units in Korea was cut off by the signing of the Armistice. Little intelligence is available on the movement or location of Chinese armed forces. The augmentation of U.S. intelligence personnel in Viet Nam was less than anticipated but some improvement in reporting from this area may be expected.

## 3. Order of Battle and Equipment

No significant change has occurred during this period.

#### 4. Targeting

Initial production of target materials for the highest priority Air Force targets is almost complete for the U.S.S.R. and is progressing satisfactorily for the Satellites and approach areas. Only about one-half of the comparable materials for highest priority Navy (all-weather) targets have been placed in production.

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#### ECONOMIC INTELLIGENCE ٧.

- 1. The recent revisions of economic policy and plans in the Soviet Bloc countries have led to a temporary increase in the flow of Soviet and Satellite data on production, trade, and consumption. Although many of these data continue to be stated in terms of percentage change from undefined bases, a considerable amount was reported in absolute terms of production, trade, and consumption. These new data should permit improved estimates on rates of development and trends in particular sectors of the Bloc economies.
- 2. Intelligence needed for enforcement of economic defense measures has been improved during the last six months by the operation of interagency organization to (a) provide rapid collation and analysis of intelligence on illegal transactions with the Soviet Bloc, (b) speed the dissemination of intelligence to appropriate action agencies, and (c) improve the receipt of information on priority requests to the field.

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# VIII. GEOGRAPHIC INTELLIGENCE

1. There have been no significant new developments in this field during the period.

### IX. BASIC INTELLIGENCE

- 1. Increasing emphasis is being given to revision of published NIS under the maintenance program, and to the production of Chapters I (Summary Brief).
- 2. The NIS Committee has authorized a survey of all NIS users for guidance in the long range development of the Program. The survey is now being conducted by the several IAC Agencies.

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### X. WARNING OF ATTACK

1. In October 1953 the IAC established an ad hoc committee to review, in the light of the present international situation, the mission and operating procedures of the IAC Watch Committee. Progress has been made in revising the "mission and functions" of the Watch Committee, including detailed methods of operation and nature of support. There have been no significant changes in the operations or capabilities of the Watch Committee.

#### XI. COLLECTION

### 1. The Foreign Service

Reporting and intelligence collection in all fields has continued at a satisfactory level with no insurmountable deficiencies yet noted, except for those imposed by the Orbit. Considerable progress has been made in providing the field with standard guidance instructions in political and economic fields; all important posts have been covered except in the Latin American area. In response to instructions, worthwhile contributions are now being received from most posts in support of

# 2. Service Attache System

Some easing of travel restrictions in the USSR and the European Satellites has enabled Service attaches to increase their coverage somewhat. The proportion of technical specialists in the Attache System has been increased to improve the coverage of scientific and technical subjects.

#### 3. Overseas Commands

Overseas commands continue to be a primary source of information on Communist armed forces. The cessation of hostilities and loss of contact with enemy forces in Korea has resulted in a sharp decline in the flow of information on North Korean and Chinese forces.

#### 4. Aerial Reconnaissance

Recently, the Armed Services have been enabled to take more advantage of their reconnaissance capability, however, because of policy considerations of other than an intelligence nature, complete exploitation of these capabilities continues to be limited.

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#### XI. COLLECTION (continued)

### 4. Aerial Reconnaissance (continued)

This capability continues to improve and research is progressing in various fields of reconnaissance techniques.

The photo interpretation capability is improving though still short of being completely satisfactory.

### 5. Espionage

There have been no significant changes in the operating conditions governing the collection of covert intelligence within the Soviet and Satellite Orbit.

#### b. Propaganda Analysis

A new series, "Radio Propaganda Reports," was initiated to meet the requirements of estimating offices and psychological warfare activities for more numerous and more specialized propaganda studies on substantive intelligence problems.

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### XI. COLLECTION (Continued)

#### 8. Foreign Materials and Equipment

Collection of Soviet Bloc items from both overt and covert sources continued to increase and is substantially higher than for the comparable period in 1952. The end of military operations in Korea has ended receipt of new captured enemy items. However, CEM items already on hand are being continually analyzed and should provide a flow of intelligence information over the next year. Improved methods for the collection and exploitation of CEM in any future active theaters of war are under intensive study. Of special interest has been the technical exploitation of Soviet aircraft, communications equipment, and machine tools.



### 9. Programs in Electronics

#### a. Monitoring of Radio Jamming

NSC 66/1 has been supplemented by NSC 169 which provides a basis for a considerable expansion of programs concerned with monitoring of Soviet jamming and related activities in the radio frequency spectrum. Planning for the implementation of NSC 169 has been initiated. Trained personnel and necessary equipment have been assigned to several U.S. embassy staffs behind the Iron Curtain to monitor the technical effectiveness of U.S. broadcasts to Soviet Bloc countries.

#### b. Non-Communications Electronic Intercept

The effective exploitation of all U.S. non-communications electronic intercept facilities and capabilities for collecting scientific

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### XI. COLLECTION (Continued)

#### b. Non-Communications Electronic Intercept (Cont.)

and order of battle information on Soviet military capabilities has been under study by the Department of Defense and CIA. Mean-while there has been some improvement in field coordination and liaison, in analysis and distribution of data,

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# 11. Foreign Language Publications

Guidance of the collection of foreign language publications by the Foreign Service has been strengthened by assistance from CIA as has the Washington processing and distribution of such publications. The assignment of a full-time publications procurement officer in Moscow has improved the collection of Soviet publications.

### XII. SUPPORT AND COLLATION FACILITIES

#### 1. Library Facilities

Lexical inventories for most of the languages of intelligence interest, and annotated lists of intelligence serial publications produced by some of the member agencies, have been prepared.

#### 2. Industrial Information

Indexing by tabulating machine methods to speed the analysis of data is two-thirds complete for the Soviet Union. Coding and indexing of end-product references was recently begun for East Germany, with China to follow.

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# XII. SUPPORT AND COLLATION FACILITIES (Continued)



#### 4. External Research

The External Research Staff, Department of State, is stepping up its function of apprizing the Intelligence Community of economic, political and related research on foreign areas sponsored by foundations, universities, and individual scholars. It is preparing periodical inventories of similar research sponsored by the Federal Government and reports on research on psychological and unconventional warfare.

The EIC has compiled an inventory of government sponsored external economic research projects on the Soviet Bloc for the period 1 January 1952 through 30 September 1953.

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# INTELLIGENCE ADVISORY COMMITTEE

NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program

- 1. The attached draft, prepared by CIA, covers those sections of subject report for which CIA has some responsibility and competence. Comparison with the last annual report (IAC-D-55/4 (Revised) 28 July 1953) will show that the following sections have not been treated: IV ("Political, Social and Cultural Intelligence"); V ("Armed Forces Intelligence"); and 1 through 4 of XII ("Collection: The Foreign Service, Service Attache System, Overseas Commands, and Aerial Reconnaissance").
- 2. It would be appreciated if each agency would review this draft and designate a representative to meet in Room 2C468, The Pentagon, at 2:00 p.m. on Wednesday, 20 January, to discuss proposed changes and additions, including drafts prepared by State and the Military Departments for those sections listed above as not covered
- 3. It may be that the agencies will wish to adopt a different presentation for this first supplementary report, such as a draft more directly responsive to the pertinent national security objectives set forth in paragraph 10 of NSC 162/2, namely to:

"Develop and maintain an intelligence system capable of:

(1) Collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world.

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- (2) Accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting U.S. security.
- (3) Forecasting potential foreign developments having a bearing on U.S. national security."

Secretary

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IAC-D-55/6

## I. COORDINATION

- 1. Coordination among the intelligence agencies, so necessary to the development of an effective U.S. intelligence system, continued to improve.
- 2. At the request of the Bureau of the Budget, the Intelligence Advisory Committee developed a suggested listing of categories of intelligence activities as an aid to the Bureau in its proposed budget ary analysis of intelligence programs.
- 3. Two Director of Central Intelligence Directives were issued and one revised, with the concurrence of the IAC, during this period DCID 7/1 establishes procedures for insuring that all non-government individuals offering foreign intelligence information are referred to CIA for exploitation in accordance with NSCID 7. DCID 3/5 refines procedures for the production of national intelligence estimates. DCID 4/2 was revised to include, in the priority list of critical national intelligence objectives, Soviet and Satellite capabilities and intensitions for conducting clandestine attack by mass destruction weapons.
- 4. Four more of the eleven formal subcommittees of the IAC initiated propress reports to the IAC (the committees on watch, scientific estimates, economic warfare intelligence, and claudestine intelligence priorities).
- 5. The Subcommittee on Exploitation to the Advisory Committee on Foreign Language Publications has held seventeen meetings and is finishing its first interim report of recommendations to the senier committee. Considerable progress has been made in the investigation of exploitation so as to provide within current budgetary limitations maximum possible service to fit the needs of all the IAC agencies. All existing Chinese Communist economic and scientific monographs available throughout the U.S. have been surveyed and annotated reports on each of these have been furnished to the IAC agencies. In the Subcommittee's investigations, centinuing emphasis is being placed on closer coordination of operations, apportionment of work-load and reduction of duplication among existing exploitation facilities. Effective results toward this aim are expected in the near future.

# 11. NATIONAL ESTIMATES

- 1. During the period of this report the IAG approved 19 national estimates (8 special estimates and 11 NIE a).
- 2. At the request of the IAC, the Board of National Estimates, CIA, has undertaken a review of DCID's 4/1 and 4/2, issued under NSCID 4, on national intelligence objectives.
- 3. A member of the Board of National Estimates has been designated chairman of a Resistance Intelligence Committee, an interdepartmental ad hoc committee formed by the IAC to coordinate the preparation of studies of anti-communist resistance and resistance potential in the Soviet orbit.

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- III. POLITICAL, SOCIAL AND CULTURAL INTELLIGENCE
- IV. ARMED FORCES INTELLIGENCE ---

# V. ECONOMIC INTELLIGENCE

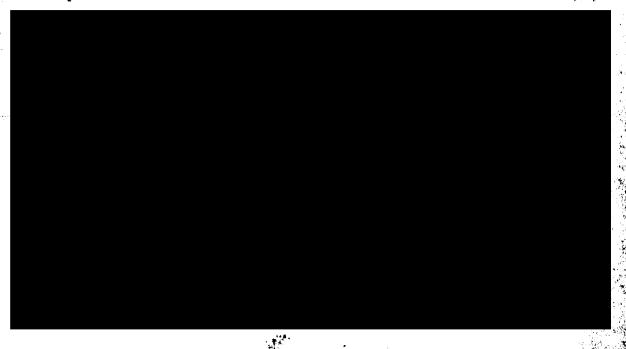
- Soviet Bloc countries have led to a temporary increase in the flow of Soviet and Satellite data on production, trade, and consumption. Although much of this information continues to be stated in conventional percentage terms, a considerable amount was reported in absolute terms. These new data should permit improved estimates on rates of development and trends in particular sectors of the Bloc economies.
- 2. Intelligence needed for enforcement of economic defense measures has been improved during the last six months by the establishment of machinery to provide rapid collation and analysis of intelligence on actionable cases, to speed the dissemination of intelligence to appropriate action agencies, and to improve the receipt of information on priority requests to the field. Collection efforts to provide intelligence in this field have been impaired, however, by a reduction in the number of economic defense reporting officers in the Foreign Service and by the continuing low priority assigned to the covert collection of information on this subject.

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# VI. SCIENTIFIC AND TECHNICAL INTELLIGENCE



primary production responsibilities between CIA and the Departments of the Department of Defense and established the Scientific Estimates Committee) has been postponed indefinitely and at present there are no definite plans for such review.



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1. There have been no significant developments in this field during the period.

# IX. BASIC INTELLIGENCE

- 1. Production of National Intelligence Surveys (NIS) is proceeding at the rate of 8 equivalent NIS per year as established by the JCS. All participating agencies have indicated this production requirement will be met during Fiscal Year 1954. Approximately 2,000 NIS Sections have been produced to 31 December 1953, representing essentially one-third of world-wide coverage, most of which is on the JCS high priority areas.
- 2. Increasing emphasis is being given to revision of published NIS under the maintenance program, and to the production of Chapters I (Summary Brief).
- 3. Within the past six months the NIS Committee has authorized a survey of all NIS users for guidance in the long range development of the Program. The survey is now being conducted by the several IAC Agencies.

# X, WARNING OF ATTACK

In October 1953 the 34C symbolic best on ad her communities of the product of the

### XI. COLLECTION

- 1. The Foreign Service ---
- 2. Service Attache System ---
- 3. Overseas Commands ---
- 4. Aerial Reconnaissance

Contributions in the field of photo reconnaissance have significantly improved although they still are not commensurate with overflight capabilities. Photo interpretation capability applying photographic intelligence in the analysis of economic and scientific developments in the Soviet Orbit has been strengthened.

# 5. Espionage

a. There have been no significant changes in the operation conditions governing the collection of covert intelligence within the Soviet and Satellite Orbit since the last progress report. Stringent	_
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XI. COLLECTION (Continued)

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b. Propaganda Analysis

During the past six months a new series, "Radio Propaganda Reports," was initiated in order to meet the requirements for the production of more numerous and more specialised propaganda studies on substantive intelligence problems by the estimating offices and psychological warfare activities. This was done in addition to maintaining issuance of weekly reviews of the whole propaganda field.

# XI, COLLECTION (Continued)

# 8. Foreign Materials and Equipment

Collection of Soviet Bloc items from both overt and covers sources has continued to increase during the past six months and is substantially higher than for the comparable period in 1952. Analysis of the objects thus acquired has served the needs of both military and civilian intelligence-producing agencies and has provided considerable data useful to economic and scientific intelligence and to the factory markings program. Military operations in Korea have ceased to yield an appreciable number of new captured enemy items. However, CEM items already on hand are being continually analysed and should provide a flow of intelligence information over the next year. Improved methods for the collection and exploitation of CEM; in any future active theaters of war are under intensive study. Of special interest during the last six months has been the technical exploitation of Soviet communications equipment and machine tools.



# 9. Monitoring of Radio Jamming

NSC 66/1 has been supplemented by NSC 169 which provides a basis for a considerable expansion of programs concerned with monitoring of Soviet jamming and related activities in the radio frequency spectrum. Planning for the implementation of NSC 169 has been initiated. Field operations of CIA pilot project "Advancer" have commenced, and are being supplemented by additional monitoring of Soviet jamming signals by the Departments of Defense and State. In addition, trained personnel and necessary equipment have been assigned to several U.S. embassy staffs behind the Iron Curiain to monitor the technical effectiveness of U.S. broadcasts to Soviet Bloc countries.

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# XI. COLLECTION (Continued)

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# 11. Electronic Intercept (ELINT)

The effective exploitation of all U.S. ELINT facilities and capabilities for collecting scientific and order of battle information on Soviet military capabilities has been under study by the Department of Defense and CIA. Meanwhile, there has been some improvement in field coordination and liaison, in analysis and distribution of data

# 12. Foreign Language Publications

Under NSCID-16, progress has been made in the coordination of procurement. Through the activities of the Procurement Subcommittee, efforts are continuing to make the most efficient use of all collectors in the field, whether they be Foreign Service personnel or military attaches. Proposals for a central record of receipts are under study and favorable results are expected within six months. Headquarters direction of the collection of foreign language publications by the Foreign Service has been transferred to CIA as has the Washington distribution of such publications.

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## XII. SUPPORT AND COLLATION FACILITIES

### 1. Library Facilities

Library cooperation among the IAC agencies increased noticeably. The Directorate of Intelligence, Headquarters USAF, has adopted the subject and area indexing techniques used by the CIA Library in order to establish an Air Force intelligence library reference system. CIA is providing the subject and area codes now appearing on Air Force documents.

The establishment of NSCID-16 Advisory Committee on Foreign Language Publications provided the mechanism for the formation of pertinent sub-committees geared to promote inter-agency cooperation. The Reference Sub-committee sponsored the publication of lexical inventories for most of the languages of intelligence interest, and annotated lists of intelligence serial publications produced by some of the member agencies. Coordinated efforts are being made to record the receiptin

Preparation and issuance by the CIA Library of the Intelligence Publications Index on a monthly basis has provided the intelligence community with a valuable tool for information on finished and periodical intelligence, arranged by subject and area.

#### 2. Industrial Information

Specialized data to meet departmental needs are maintained by the Defense Agencies. File references to industrial end-products are being indexed by tabulating machine methods to speed the analysis of data. This indexing is two-thirds complete for the Soviet Union. Coding and indexing of end-product references was recently begun for East Germany, with China to follow. It is estimated that these two countries will be completely indexed about 30 June 1954 and that indexing will be maintained on a current thas is thereafter.

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# XII. SUPPORT AND COLLATION FACILITIES (Continued)



# 4. Map Procurement and Reference Service

Procurement of foreign-published maps and information on mapping abroad through the Foreign Service Geographic Attache program is being seriously curtailed through a reduction in force imposed as a result of budgetary limitations.

#### 5. External Research

The External Research Staff, Department of State has recently restaffed. It will resume its functions of apprizing the intelligence Community of economic, political and related research on foreign areas sponsored by foundations, universities, and individual scholars. It will also prepare periodical inventories of similar research sponsored by the Federal Government and reports on research on psychological and unconventional warfare.

The EIC has compiled an inventory of government sponsored external economic research projects on the Soviet Bloc for the period 1 January 1952 through 30 September 1953.

William III

IAC-D-55/5 28 December 1953

#### INTELLIGENCE ADVISORY COMMITTEE

NSC Status Report on the Foreign Intelligence Program and Related Activities

- The Executive Secretary of the NSC has requested the DCI to prepare for the NSC a semi-annual subject report, to be submitted 1 February 1954, with a cutoff date of 31 December 1953.
- 2. When the last such report (IAC-D-55/4, Revised, 28 July 1953) was submitted, the DCI made the following proposal:

"Inasmuch as intelligence programs by their very nature are not subject to rapid change, I propose, with the concurrence of the IAC, that hereafter a complete revision of this status report be prepared only on an annual basis (as of 30 June or such other date as the NSC may desire), and that semi-annually there be submitted a brief supplementary statement of the most significant changes which have occurred since the last annual report. "

The NSC Secretariat has informed CIA that the instant report should be in the form of a brief supplementary statement.

3. A proposed supplementary statement will be prepared by CIA, at the request of the DCI, and will be discussed with IAC representatives on or about 15 January prior to IAC consideration.

Secretary

IAC-D-55/5

28 December 1953



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